



HANDBOOK FOR SDG-ALIGNED FOOD COMPANIES

FOUR PILLAR FRAMEWORK STANDARDS

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Fresh Fruit beverage production.
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EXECUTIVE SUMMARY

The world's major food companies, engaged in food production, trade, processing, and consumer sales around the world, play a major role in the global food system, and therefore have crucial roles to play in the transformation of sustainable food systems.

EXECUTIVE SUMMARY

The world food system is in crisis. The crisis is really comprised of a complex set of issues, most of which can be classified under the following five main categories:

1. **Unhealthy diets.** Around half of the world today lives on unhealthy diets, including outright hunger, micronutrient deficiencies, and unbalanced diets leading to diabetes and other metabolic diet-related diseases, and healthy diets are unaffordable for around 40 percent of the world population;
2. **Food losses and wastes.** Around one-third of agricultural output is lost to post-harvest losses and consumer wastes;
3. **Unsustainable food production.** Food production is environmentally unsustainable, contributing to greenhouse gas emissions, deforestation, land degradation, loss of biodiversity, chemical pollution (from fertilizers and pesticides), invasive species, freshwater depletion, soil loss, and other environmental harms;
4. **Poverty in farm communities.** A significant proportion of farm families in low-income countries suffer from extreme poverty and lack of access to healthcare, education, safe drinking water and sanitation, electricity, safe cooking fuels, and digital services;
5. **Vulnerability of food systems to future shocks.** Food production is increasingly vulnerable to human-induced climate change and its myriad consequences: heatwaves, storms, floods, droughts, pest infestations, and others, yet the world also requires major increases in the production of certain foodstuffs, especially fruits, vegetables, nuts, fish, and some others.

This is a daunting list of concerns that receive grossly insufficient policy attention around the world. Food systems are mostly taken for granted by governments and the public, but this is no longer tenable. Not only are these five categories of ills already very serious, but they are expected to get much worse unless the world food system is transformed. Not even the richest countries are immune, facing high rates of health complications associated with poor diets. Many developing countries face particularly complex challenges such as the so-called “dual burden” of malnutrition, which describes the coexistence of overnutrition and their associated diet-related chronic diseases with hunger and undernutrition. There also is no part of the world that is immune to the floods, droughts, tropical cyclones, forest fires, and pest outbreaks that are intensified by human-induced climate change. But these impacts are also not distributed equally, and without intervention, will continue to cause the greatest suffering to those who have already been historically disadvantaged in the global economy.

The transformation of the world food system to achieve sustainability in all its dimensions, as called for by Sustainable Development Goal 2 and related SDGs, is in many ways even more complex than the energy system transformation needed to stop human-induced climate change. The global food system involves hundreds of millions of farmers and their families; complex global supply chains in international trade of foodstuffs; thousands of major food producing companies; complex and highly varied food production systems and local ecologies; extensive food processing for final consumers; and of course a profoundly important diversity of food traditions and cultures.

The world’s major food companies, engaged in food production, trade, processing, and consumer sales around the world, play a major role in the global food system, and therefore have crucial roles to play in the transformation of sustainable food systems. Since food companies vary enormously in their roles across the food supply chain “from farm to fork,” they also have distinctive roles and responsibilities. We are at the start of a new era of food system sustainability, and food companies will be required to raise their awareness of food system needs and their own roles in achieving food system sustainability. At the UN Food Systems Summit in September 2021, we saw participation from hundreds of food companies, demonstrating their recognition of the magnitude of this crisis and that they must be part of the solution. To help companies navigate this historic change of direction as part of broader social and policy changes and align with the SDGs, we have identified an approach to help them understand their particular roles in the global transformation, to adjust their internal policies and practices, and then to report on their actions. This report is aimed at establishing the standards and guidelines for this approach that can be used to inform and engage management and employees of food companies in the major transformations ahead.

Of course, food companies only make up a portion of the vast global food system, and therefore can only provide a part of the complex set of solutions that are needed. Food companies by themselves, for example, cannot end global warming, control food choices by the world’s households, end poverty, or solve the problems of food losses and wastes. Yet, in each of these areas, they can play a critical role, one that often they have not yet recognized or internalized themselves.



ABOUT THE FOUR PILLAR FRAMEWORK

The Four Pillar Framework supports companies in their efforts to align their practices with the UN SDGs. In our approach, company managers ask four key sets of questions about the company. The first is about the company's **products**, that is, the goods and services that they sell to the final consumers. Are their products healthful, and are they being consumed in healthful ways, as part of healthful diets, by their customers? Are the company's products part of the growing problem of diet-related metabolic diseases or part of the solution? Do the products help to alleviate hunger and undernutrition, for example, by fortifying vitamins and other micronutrients? Food companies should take significant actions to reduce diet-related chronic diseases by curbing unhealthy additives and processing, fortifying products with vitamins and micronutrients, producing their foods safely, engaging in responsible marketing, and helping their customers to achieve healthy and nutritious diets.

The second set of questions relates to the company's **operations**. Are the production processes environmentally sustainable, or are they implicated in environmental harms such as greenhouse gas emissions and freshwater depletion (such as from fossil aquifers)? They also include the social dimensions of sustainability. Do the company's own production operations use child or bonded labor? Are workers paid a living wage? Are they free to form unions and advocate for their labor rights?

The third set of questions is about the company's **value chains**, both upstream to suppliers and producers and downstream to customers. In the past, companies concerned themselves mainly with their own production and sales and did not give enough consideration to their upstream inputs or downstream activities that connect the company with their consumers. Yet sustainable food systems (and indeed sustainable systems across the economy) require responsibility across the value chain. Major companies in the world today recognize that it is unacceptable to use inputs produced by child or slave labor or by production processes that are environmentally destructive (even if carried out by other companies in their value chain). Environmental impacts in food value chains include deforestation, degradation of fragile ecosystems (such as wetlands and grasslands), chemical pollution (such as through fertilizer runoff and pesticide use), and loss of biodiversity (by conversion of habitats to agricultural uses). Moreover, the upstream farm families should have access to essential services, social protection, and decent work. Companies cannot wash their hands of downstream responsibility for impacts on workers and communities. Improving unsustainable social and environmental conditions upstream and downstream will surely require efforts beyond those of the food companies, so companies should join governments, civil society, and international agencies to implement solutions.

The fourth set of questions concerns every company's "social license to produce," or what we call **good corporate citizenship**. Companies are organizations with legal rights and responsibilities. Corporations, for example, are granted privileges such as limited liability in order to encourage their contribution to the economy. Yet, such privileges come with weighty responsibilities as well. This includes a heavy responsibility towards sustainable development itself. Companies are obligated to be honest, eschew fraudulent practices, and respect all stakeholders. This includes paying taxes and honoring environmental agreements and refusing to cut corners (such as aggressive tax avoidance that skirts the spirit of the law) just because enforcement practices are laggard. Companies should not engage in lobbying activities that undermine the common good, even if they believe they can get a special advantage through their lobbying.

ABOUT THIS REPORT

This report presents the full twenty-one Four Pillar Framework standards. These standards summarize the activities that are expected of food processing companies that align with the UN SDGs. Each standard offers a set of practical steps for companies to take to align their business activities with the ambitious vision laid out in the SDGs.

Our standards have been reviewed by approximately fifty subject-matter experts from academia, international organizations, civil society, and business on topics ranging from children's rights to the impacts of agricultural activities on climate change. The challenges that we are describing and aiming to address are deep, complex, and still very much under-addressed. We emphasize that this resource is based on international standards and the best available scientific evidence, but it is not exhaustive or definitive.

We recognize that we are just at the start of a long-term transformation of the food system and other parts of society (energy, infrastructure, health, education, and others) to achieve the SDGs, fulfill the Paris Climate Agreement, and ultimately, to build the future where human wellbeing is ensured, and the environment is protected.

The Four Pillar Framework's roadmap to holistic sustainability can help companies and their stakeholders advance this future. We intend to continue to develop, deepen, and expand our work in the years ahead and therefore welcome comments, feedback, and opportunities for exchanging viewpoints and information.

RELEVANCE OF THE FOUR PILLAR FRAMEWORK STANDARDS TO KEY AUDIENCES

For all stakeholders, achieving the SDGs is imperative to prevent harm to people and planet. SDG-alignment is not a nice-to-have or communications tool for philanthropic or social impact programming. It is a must. Recent efforts by legislatures to make human rights and environmental due diligence mandatory, by courts, to hold companies accountable for their contributions to climate impacts on people, and by civil society's demands have made that clear. The Four Pillar Framework standards provide a tool to help a wide range of stakeholders meet the expectations of customers, clients, citizens, and the global community.

The primary audience for the standards is **food processing companies** that are serious about making the necessary transformational changes to their businesses to align with the SDGs. From the business perspective, aligning with the SDGs presents opportunities to meet social responsibilities and stakeholder expectations, and it helps avoid risks to the bottom line across complex issue areas.

The food system faces many challenges stemming from private sector activity that prioritizes short-term profits at the expense of the health and wellbeing of people and the environment. Failure to address these challenges also poses medium- and long-term risks to the resiliency and financial success of food sector companies. For example, the food sector is responsible for more than one third of global greenhouse gas emissions¹, while also suffering from supply chain disruptions due to weather impacts linked to climate change, including severe drought in Brazil which led to significant agricultural losses;² recent large-scale global pandemics have been linked to “inadequate food systems safeguards to detect, trace and eliminate threats arising from zoonotic diseases,”³ which have caused massive disruptions to the food and agricultural sector;⁴ and finally, the exodus of agricultural producers and workers from the sector has been caused by the economic inviability of the work, and may lead to shortages of producers to keep up with demand in decades to come.⁵

Individual food sector companies also face reputational and legal risks if they fail to take adequate action to align their practices with the SDGs, including exposure to sanctions⁶ for non-compliance with increasing legislation and regulation mandating company action on sustainability issues.^a Regardless of the legal and regulatory framework in place, conflict with communities can result in concrete losses, including opportunity costs and staff time diverted to managing conflict.⁷ On the other hand, companies with positive reputations for sustainability are better able to hire and retain top talent,⁸ as well as increase profitability.⁹ Across all sustainability issues, following the law is currently not sufficient to align practices with the SDGs nor to avoid material risks.

The standards are also a resource for **policymakers** to drive the critical food system transformation needed to achieve the SDGs and to meet their own responsibility to achieve the SDGs^b by establishing a framework of comprehensive expectations for and regulations governing the private sector.

Finally, with clients and regulators increasingly demanding that sustainability be meaningfully integrated into investment decisions and engagement, **investors** are paying closer attention than ever to the ways in which their investment activities impact people and planet.¹⁰ The robust Four Pillar Framework standards serve to guide investors seeking to identify and integrate environmental, social, and governance (ESG) risks in their investment decision-making and to engage their portfolio companies in the necessary transformational changes to minimize harms and maximize positive contribution to the SDGs.

For **those impacted by company activities, civil society organizations, academics, and engaged members of the public**, the Four Pillar Framework can be used to help assess, monitor, and hold food processing companies accountable for meeting their sustainability expectations. The standards can be used to help articulate calls for company prevention, mitigation, and remedy in terms of alignment with the SDGs.

For all stakeholders, achieving the SDGs is imperative to prevent harm to people and planet. SDG-alignment is not a nice-to-have or communications tool for philanthropic or social impact programming. It is a must.

- a. For example, in the European Union alone, the Non-Financial Reporting Directive, Taxonomy for Sustainable Activities, the Sustainable Finance Disclosure Regulation, and a forthcoming Mandatory Environmental and Human Rights Due Diligence Law are all aimed at driving more meaningful corporate sustainability efforts.
- b. One of the six societal transformations necessary to achieve the SDGs identified by the Sustainable Development Solutions Network (SDSN) is “Sustainable food, land, water, and oceans.” (Source: Jeffrey D. Sachs et al., “Six Transformations to Achieve the Sustainable Development Goals,” *Nature Sustainability* 2, no. 9 (September 1, 2019): 805–14, <https://doi.org/10.1038/s41893-019-0352-9>.)



FOCUS ON FOOD PROCESSING COMPANIES

The Four Pillar Framework is useful to all food companies at different stages of the food system value chain in evaluating their alignment with the SDGs.

As a starting point, the set of Four Pillar Framework standards are geared towards *food processing* companies (later referred to in the standards as ‘food companies’ or even ‘companies’). Companies in the food processing sub-sector are those engaged in processing and manufacturing raw materials to transform them into food and beverage products.

All food processing companies are within scope - those of all sizes, from all regions, and with all structures.

Small- and medium-sized enterprises may face different challenges in meeting the standards than multinationals. Companies located in emerging markets also face different challenges in meeting the standards than companies located in developed markets. Accordingly, the standards include the expectation that the companies assess their own areas of negative impact, which require improvement to meet the standard. At this stage, the companies consider specific challenges based on their size, operating contexts, and commodities so that their efforts to meet the standard are tailored to their actual involvement with negative impacts on people and the environment.

Importantly, the Four Pillar Framework is structured in a way that **requires consideration of the company’s structure**. A vertically integrated food processing company, with some of its own plantations, mills, and distribution facilities and a vast network of in-country subsidiaries will likely have more severe social and environmental issues relevant to Pillar 2 (own operations) than Pillar 3 (value chain) when compared with a company which more heavily relies on supply chains. Because the individual company’s structure to some extent dictates the relevance of some issues to their own operations and value chains, only one standard has been written for each of the social and environmental standards relevant to Pillars 2 and 3. Companies are expected to tailor their approaches to meet the standard based on the extent to which the issues are relevant to their own operations and/or value chain, and the standard provides guidance for how the company acts in both spheres.

FIGURE 1: SIX SUB-SECTORS OF THE FOOD AND AGRICULTURE SECTOR



OVERVIEW OF THE FOUR PILLARS



FOOD PROCESSING COMPANY
ALIGNED WITH THE SDGS



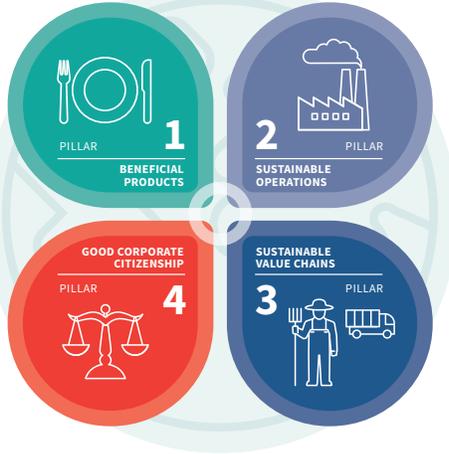
PILLAR 1

BENEFICIAL PRODUCTS

Pillar 1 highlights the impact of a company's products and strategies on human wellbeing and the planet's sustainability. This Pillar helps bring into focus the role of food processing companies in driving more healthy and sustainable dietary patterns among consumers and communities. This pillar covers producing more healthy and sustainable food products, marketing and labeling products in ways that promote health and do not exploit existing vulnerabilities, and avoiding activities that contribute to food insecurity.



1
PILLAR



PILLAR 4

GOOD CORPORATE CITIZENSHIP

Pillar 4 brings into focus how companies are governed and how they impact entire societies by engaging with the systems and rules that govern them. Good corporate citizenship is the foundation for the holistic changes in corporate practices needed to align with the SDGs. This pillar highlights company strategies that contribute to or diminish social goods or societal wellbeing and activities that support or undermine the crafting and effective deployment of law and policy that advances sustainable development. It considers company engagement in responsible tax and litigation practices and the extent to which corporate governance and management systems are geared towards incentivizing SDG-aligned conduct.



4
PILLAR



PILLAR 2

SUSTAINABLE OPERATIONS

Pillar 2 includes preventing, mitigating, and remedying the environmental and social impacts of food processing companies' own business operations on their workers, communities, and ecosystems.



2
PILLAR



PILLAR 3

SUSTAINABLE VALUE CHAINS

Pillar 3 highlights the company's role in and responsibility to drive sustainable development for workers, producers, and communities across its entire value chain – upstream and downstream – and in the broader ecosystems of which it is part. This Pillar focuses on company activities to support the realization of the SDGs through its business practices, its interactions with suppliers, producers, clients, and other business relationships, and its collaborations to promote, incentivize, and ensure more rights-respecting and environmentally sustainable practices. The scope of impact includes the company's own value chain as well as the relevant sectors and communities that its operations and business relationships influence.



3
PILLAR



OVERVIEW OF THE COMMITMENTS

This page provides the commitments at the foundation of each of the Four Pillar Framework standards. They are listed in the order in which they appear in this report. Their order does not signify relative importance.



PILLAR 1: BENEFICIAL PRODUCTS

1. **HEALTHY & SUSTAINABLE PRODUCT PORTFOLIOS:** Ensure the food products sold by the company contribute to healthy and sustainable diets.
2. **MARKETING & LABELING:** Employ responsible, equitable, and honest marketing and labeling practices that allow consumers to easily make informed choices and do not exploit vulnerable populations.
3. **FOOD SECURITY:** Facilitate access to affordable, safe, and nutritious foods. Prevent and eliminate threats to food security across the company's value chain and ecosystems.
4. **FOOD SAFETY:** Prevent and eliminate food safety hazards in the company's operations and value chain to ensure safe food for consumers and prevent harms to broader ecosystems.



PILLARS 2 & 3: SUSTAINABLE OPERATIONS / SUSTAINABLE VALUE CHAINS

5. **AGROCHEMICALS & SUSTAINABLE AGRICULTURE:** Minimize agrochemical use in the value chain and support producers in transitioning to sustainable and regenerative agricultural practices that maintain productivity while protecting ecosystems and human health and preserving soil and other natural resources.
6. **CLIMATE CHANGE & AIR QUALITY:** Rapidly reduce greenhouse gas emissions, aligning to a 1.5°C world, and mitigate air pollution throughout the company's operations and value chain.
7. **BIODIVERSITY:** Prevent negative impacts on biodiversity and protect, restore, and promote natural ecosystems throughout the company's operations and value chain.
8. **FRESHWATER:** Achieve the lowest possible water footprint in the company's operations and value chain, with a focus on areas where the water risk is high, to ensure a sustainable clean water supply for human use and natural ecosystems.
9. **WASTE:** Minimize food loss and waste and packaging waste in the company's operations and value chain, including at the retail and consumer levels.
10. **ANIMAL WELFARE:** Prevent and eliminate animal rights abuses and promote good animal welfare in the company's operations and value chain.

11. **LIVING WAGES & INCOMES:** Pay living wages to all workers and ensure workers are paid living wages and producers earn living incomes in the company's value chain and the broader ecosystem.
12. **RESOURCE RIGHTS:** Respect all legitimate resource and tenure rights, and support smallholder farmers and communities in retaining and defending their natural resource rights, with a particular focus on vulnerable rights holders.
13. **CHILD LABOR:** Prevent and eliminate child labor in the company's operations, value chain, and broader ecosystems.
14. **FORCED LABOR:** Prevent and eliminate forced labor in the company's operations, value chain, and broader ecosystems.
15. **FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING:** Empower workers, producers, and their representatives to organize, establish, and join trade unions, bargain collectively without interference, and participate in decision-making on matters that affect them.
16. **OCCUPATIONAL HEALTH & SAFETY:** Provide healthy and safe working environments for all workers in the company's operations and ensure healthy and safe working environments for all workers and producers in the value chain.
17. **NON-DISCRIMINATION & EQUALITY:** Remove barriers to equal treatment and opportunity in the company's operations, value chain, and broader ecosystems.



PILLAR 4: GOOD CORPORATE CITIZENSHIP

18. **GOVERNANCE & MANAGEMENT:** Implement governance structures and management systems that center impacts of the company's operations, products, and value chain on people and planet.
19. **POLICYMAKING INFLUENCE:** Refrain from activities that increase company influence over policymaking to achieve company or industry interests at the expense of achieving the 2030 Agenda. Support government efforts to achieve the SDGs.
20. **TAX:** Eliminate the average gap between the tax paid and the statutory rate over any five-year period in each country where value is created for the company and its subsidiaries.
21. **LITIGATION:** Prevent and eliminate litigation activities which limit access to justice to victims of human rights impacts and which chill public participation and speech of critical individuals or groups, including by exploiting power and resource asymmetries.



BENEFICIAL PRODUCTS



STANDARDS



SUSTAINABLE OPERATIONS / **SUSTAINABLE VALUE CHAINS**



STANDARDS



GOOD CORPORATE CITIZENSHIP



STANDARDS

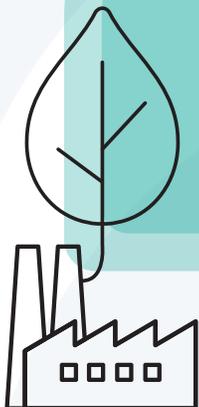
FOOD PROCESSING COMPANY
ALIGNED WITH THE SDGS

Because the issues relevant to pillars 2 and 3 are the same, the standards cover both operations and value chains.
The company will tailor its approach to addressing the issues based on their relevance for its operations and/or value chain.

1
PILLAR

2 & 3
PILLARS

4
PILLAR



While most topics are relevant to multiple Pillars, the above graphic limits duplication to the extent possible. Accordingly, this structure places topics where they have the most relevance based on (1) where the topic presents the greatest opportunity for improvement in the food sector; and (2) where the topic can be addressed by the company. The relevance of certain topics to each Pillar varies somewhat based on the company's structure, and each standard takes into consideration these potential differences.



Harvested palm oil fruit.
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PART 1

INTRODUCTION

Food sector companies play a major role in the global food system, and therefore have crucial roles and responsibilities when it comes to achieving sustainable food systems. To activate the transformative power of responsible business activities, the Four Pillar Framework standards advance a robust, holistic approach to corporate SDG alignment. The Framework drives business practices that improve outcomes for people and planet across all company activities.

BACKGROUND OF THE FOUR PILLAR FRAMEWORK

The global food system must be fundamentally transformed to operate within planetary boundaries and to enable human wellbeing. States are primarily accountable for achieving the SDGs laid out in the 2030 Sustainable Development Agenda. This includes driving the necessary transformations across food systems and protecting the human rights of individuals and communities. In the 2030 Agenda, however, States also recognized the vital role of companies in achieving the goals, including the importance of mitigating business' harmful impacts on human and planetary health and supporting broader SDG achievement.

Since a rigorous and comprehensive framework through which to assess corporate alignment with the SDGs is missing, food sector companies and their stakeholders do not have clear guidance on how to support the achievement of the SDGs.

CHALLENGES THE FOUR PILLAR FRAMEWORK SEEKS TO ADDRESS

The Four Pillar Framework was first developed by CCSI in February 2020 in the context of the electric utility sector¹¹ and has subsequently been elaborated upon in more depth in the food sector through the Fixing the Business of Food initiative. As part of this initiative, the Four Pillar Framework to guide food sector companies' alignment with the SDGs and the Paris Climate Agreement was presented in a September 2020 report.¹² The report found that available sustainability frameworks, standards, reporting, and certifications for companies did not sufficiently support or measure SDG alignment across the Four Pillar Framework business activities and their identified key topics. Specifically, the report found that “[e]ven as corporate sustainability efforts increase — as seen in the rising number of sustainability initiatives and standards, Environmental, Social, and Governance (ESG) screened investment increases, and in the mainstreaming of sustainability reports — corporate alignment with the SDGs continues to face fundamental challenges.”¹³

The 2020 report identified the following key challenges with existing frameworks, practices, and reporting:

1. A lack of consensus on the key principles defining an “SDG-aligned” or “sustainable” business creates confusion and enables greenwashing,¹⁴ and frameworks' voluntary natures allow companies to self-report their sustainability performance on their preferred issues while ignoring less convenient elements.¹⁵ This leaves the public, investors, consumers, and governments with an incomplete picture of each company's sustainability practices and SDG- alignment.
2. Many standards and reporting frameworks focus on activities that are easy to compare, such as corporate policies and codes of conduct. While these are vital steps in a company's sustainability journey, they have proven insufficient to tackle and eradicate human rights abuses and poor practices in business operations and throughout value chains.
3. Existing frameworks and ESG indexes have generally overlooked or neglected aspects of business activities that are critical for understanding the overall impacts of companies on the SDGs. In particular, three key topics receive insufficient coverage:
 - **Impacts resulting from product use:** Companies whose primary products are unhealthy foods, drinks, or substances often do well on ESG metrics if they report on substantial efforts in other areas, such as labor rights in their supply chains. The company's main business model — creating, marketing, and selling foods which, in practice, have negative health impacts on consumers — is often not factored into benchmarks.
 - **Good corporate citizenship:** Beyond illegal corruption, many frameworks ignore the impacts of companies' tax practices and policymaking engagement activities, including lobbying. These activities can weaken legitimate democratic institutions and limit the State's ability to achieve and finance the SDGs.¹⁶
 - **Engagement with human rights defenders and whistleblowers:** Oftentimes, companies engage with human rights defenders, whistleblowers, critics, and trade unionists in ways that undermine the achievement of their own sustainability commitments and targets. Human rights and environmental defenders who challenge agribusiness projects play a critical role in notifying companies of potential sustainability issues and yet still face violence and judicial harassment in their operating contexts. Current ESG and sustainability frameworks rarely consider such impacts and the appropriate role of responsible and sustainable companies in acting to prevent and address them.

To address these contributing factors for corporate misalignment with the SDGs and to activate the transformative power of responsible business activities, the Four Pillar Framework standards advance a robust, holistic approach to corporate SDG alignment.



OBJECTIVES OF THE FOUR PILLAR FRAMEWORK

The Four Pillar Framework is a rigorous conceptual framework that brings clarity to the task of identifying SDG-aligned corporate practices by identifying (1) the four broad areas of business activity that affect the SDGs, (2) the underlying nutritional, environmental, social, and governance topics that food sector companies need to tackle through those business activities to spur the greatest contributions to the SDGs, and (3) standards for each of those topics.

The Four Pillar Framework aims to address the challenges identified above by providing companies, standard-setters, reporting frameworks, rating agencies, investors, and policymakers with a practical framework for assessing food sector alignment with the SDGs. The Framework can and should be used to refine other sustainability reporting frameworks, standards, policies, rankings, and certifications to ensure a holistic approach to aligning food sector practices with the SDGs.

To address the contributing factors for corporate misalignment with the SDGs and to activate the transformative power of responsible business activities, the Four Pillar Framework standards advance a robust, holistic approach to corporate SDG alignment.

1. To Drive Improved Outcomes for People and Planet

The objective of the Framework is to drive business practices that improve outcomes for people and planet. The ways in which businesses impact people and the environment have been demonstrated to have significant convergence with material risks to businesses, including reputation, financial, and legal risks (as discussed in the Relevance of the Four Pillar Framework Standards to Key Audiences section above). The approach of focusing on impacts on people and planet as the entry point of this Framework aligns with the saliency approach of the UN Guiding Principles¹⁷ and GRI's new process for determining material topics that focuses on impacts on people and planet throughout the value chain, which will take effect in January 2023.¹⁸

2. To Achieve Holistic Sustainability Across Company Activities

The Framework takes a comprehensive approach to align with the SDGs across four pillars of business activities that impact the SDGs: their products, operations, value chains, and corporate citizenship. Food sector companies need to tackle *all four of the pillars* to align with – and spur the greatest contributions to – the SDGs.

The standards lay out what a company whose practices fully align with the SDGs looks like in order to guide corporate sustainability efforts. The Framework is holistic, and the standards across issue areas are indivisible, meaning strong performance on one standard cannot offset misalignment on another standard. This improves upon approaches that allow companies to cherry-pick the issues they wish to contribute to and report on.

KEY FEATURES OF THE FOUR PILLAR FRAMEWORK AND STANDARDS

The Four Pillar Framework standards align with and build upon the 18 key topic areas identified in the Fixing the Business of Food's 2020 report.^c

In order for the standards to target the areas of greatest opportunity for improvement in the food sector, they cover the areas in which the food sector currently lags behind in aligning with the SDGs. The standards draw from the UN Guiding Principles on Business and Human Rights (UNGPs), the existing authoritative global framework for how companies should know and show that they prevent, mitigate, and remediate the actual and potential negative impacts on people.

The UNGPs clarify that companies are expected to respect all internationally-recognized human rights, which include consumers', communities', and workers' rights to health, food, and a decent standard of living. The SDGs have human rights at their core, with over 90% of SDG targets linked to specific provisions of international human rights standards.¹⁹

The UNGPs were unanimously adopted by the UN Human Rights Council in 2011 and subsequently have shaped company efforts and disclosure on their respect for internationally-recognized human rights, investor engagement on ESG issues, certifications, and benchmarks, as well as law and proposals to codify Human Rights and Environmental Due Diligence.

The Four Pillar Framework standards build upon the foundation of the UNGPs to help companies contribute to, and not undermine, the transformational change required to achieve the SDGs. This includes the UNGPs value chain scope, the importance of collective action and addressing root causes in the broader ecosystem, and its due diligence approach.

VALUE CHAIN SCOPE

Transforming food sector practices to align with the SDGs needs to include the governance of food sector companies, the nutritional value of food, and respect for human rights and the environment along the value chain from farm to fork. From the perspective of a food processing company, aligning practices with the SDGs requires proactive efforts beyond the company's own operations by acting in its value chain and broader ecosystems.

Companies have an existing responsibility to respect human rights in their own operations and throughout their value chains.²⁰ This corporate responsibility entails preventing and mitigating impacts on people with which they are involved, including those that are directly

linked to their operations, products, or services by their business relationships. It is also well recognized that, in order to achieve climate targets, companies need to not only reduce their direct emissions (Scope 1) but also their indirect emissions from value chain sources the company does not control or own (Scope 3), which typically constitute the biggest greenhouse gas impacts.²¹ The World Benchmarking Alliance has taken a value chain approach in its benchmarks, including the Social Transformation Framework²² and Food & Agriculture Benchmark.²³

BUSINESS RELATIONSHIPS: as defined by the World Benchmarking Alliance - and in line with the UNGPs - are "the relationships a company has with business partners, entities in its value chain, and any other State or non-State entity directly linked to its operations, products or services. They include indirect relationships in its value chain, beyond the first tier, and minority as well as majority shareholding positions in joint ventures. It covers both upstream and downstream relationships."²⁴

By taking action in their value chains, companies can increase their contributions to the SDGs many-fold. Companies can spur transformative changes for people and planet in their value chains due to their existing connections to business relationships across their value chains. Engaging existing relationships serves as a great "opportunity to uplift millions of people's lives" by enabling them to enjoy the benefits of sustainable development.²⁵

To improve social and environmental sustainability in their value chains, SDG-aligned companies change their own business practices, which might incentivize unsustainable practices, and also engage with value chain actors to influence them to adopt improved practices.

Consequently, companies throughout the value chain have a role to play in aligning their practices with the SDGs through both individual and collective action. In line with the approach the UNGPs call upon companies to take,²⁶ where companies cannot prevent or mitigate an impact on their own, they should increase their leverage, or influence, by working with others. This can include collaborating with peer companies, participating in multistakeholder initiatives, collaborating with State actors, and working with civil society organizations to monitor performance or facilitate improved practices in the value chain that foster environmental sustainability and human wellbeing.

c. These key topics were selected in collaboration with the World Benchmarking Alliance (WBA) and the Food Foundation, and verified through a survey program in which member companies of Cibus Italia, Démetre France and Ielka Greece, participated. (Source: Sachs et al., "Fixing the Business of Food: How to Align the Agrifood Sector with the SDGs.")



ADDRESSING ROOT CAUSES IN THE BROADER ECOSYSTEM

Certain human rights and environmental issues connected to their operations and value chain are challenging for companies to tackle due to underlying conditions or root causes in the ecosystem surrounding the company and its value chain actors. For example, child labor may be endemic in a particular region from which the company sources, in part driven by poverty experienced by farming communities. Adjustments to business activities such as sourcing practices, supplier audits, contract clauses, and supplier capacity building may prove insufficient to eliminate child labor in the company's supply chain.

In such cases, the Four Pillar Framework standards call upon companies to take action to mitigate root causes at their source. These root causes may include poverty, lack of regulation or enforcement, and systemic biases. To be effective, addressing root causes requires increasing their individual leverage by engaging in collective action with peer companies, civil society organizations, and others. These efforts might not be targeted at the company's value chain alone and can benefit the broader ecosystem or communities.

Thus, the concept of the broader ecosystem is used to refer to both (1) the ways in which broader contexts can create the root causes of impacts in the company's operations and value chains (e.g., a low legal minimum wage may lead to market conditions which make it unlikely value chain workers are paid a living wage), as well as (2) the ways in which companies can contribute to addressing these root causes in communities and environments which extend beyond the company's operations and value chain (e.g., a company may advocate for a higher minimum wage, which will improve the lives of workers in the company's value chain, as well as workers outside the company's value chain).

The Framework's approach aligns with the expectation that companies focus their contributions to the SDGs on their own value chains while also acknowledging the potential for companies to contribute in ways that reach beyond their value chains and have positive impacts on people and planet in their broader ecosystems.

The Four Pillar Framework's broader ecosystem approach is distinct from traditional philanthropy or corporate social responsibility efforts. While these efforts may have positive impacts, unlike the broader ecosystem approach of the Four Pillar Framework, they do not take a strategic approach to addressing the root causes of negative impacts, or SDG deficits, the company is connected to through its operations and value chain. While companies may choose to engage in discretionary philanthropy and corporate social responsibility that is not aimed at preventing or mitigating negative impacts connected to their business activities, responsible corporate conduct aligned with the SDGs focuses on avoiding and remedying harms. In all cases, discretionary contributions cannot compensate for corporate failures to protect people and planet from harm.

DUE DILIGENCE APPROACH

The standards incorporate a due diligence approach across all issue areas. Due diligence is a proactive and ongoing management process, which companies are familiar with in the context of managing risk to the business. The international expectation of all companies to respect human rights entails conducting due diligence.²⁷ The due diligence approach is transferable to guide company management of the impact areas covered by all of the Four Pillar Framework standards.

The due diligence approach provides the structure for each of the Framework standards, which consist of six steps a company should take to meet the standard, as depicted in Figure 2 and elaborated on in the *Guide to the Standards' Uniform Format* section below.

This due diligence approach helps the standards build upon and align with other existing standards, reporting frameworks, and indicators. Many initiatives include various pieces of the above-listed steps without having a consistent structure across issue areas.

For example, the Fixing the Business of Food report from September 2020 included the following proposed indicators for greenhouse gas emissions, which can be re-organized into some of the six steps listed above, as demonstrated in Figure 3.

We have found that many sustainability initiatives, based on their own objectives and theories of change, focus on either encouraging company commitments to sustainability or defining quantitative indicators and ranking companies based on their public disclosure. By laying out the six steps used in the Four Pillar Framework standards, the standards help companies and their stakeholders **bridge the gap** between commitments and demonstrating progress. What lies in the middle is vital: assessing actual and potential impacts, integrating the findings of these assessments by setting targets and taking action, establishing and participating in grievance mechanisms to handle complaints should impacts occur, and when they do occur, providing or enabling remedy. In our view, clearly establishing what companies should do – what SDG-aligned practices look like – must precede determining what should be tracked or disclosed.

It is important to briefly discuss the inclusion of **grievance mechanisms and remedy** in particular. Aligning with the SDGs does not only entail mitigating and preventing future impacts, but also accountability for impacts which have occurred. This concept is most familiar in the context of human rights impacts, as the third pillar of the UNGPs relates to victims' access to effective remedy. However, accountability and remedy are critical for all issue areas. Without companies being accountable for their impacts – intentional or not – and making those harmed whole, company commitments risk being merely aspirational. The role of corporate accountability and remedy in the context of climate change has been popularized through the concept of climate justice.²⁸ Accountability and remedy for past impacts are required to realize global justice and equity, and to achieve true sustainable development where no one is left behind.

FIGURE 2: DUE DILIGENCE APPROACH INCORPORATED ACROSS ALL STANDARDS

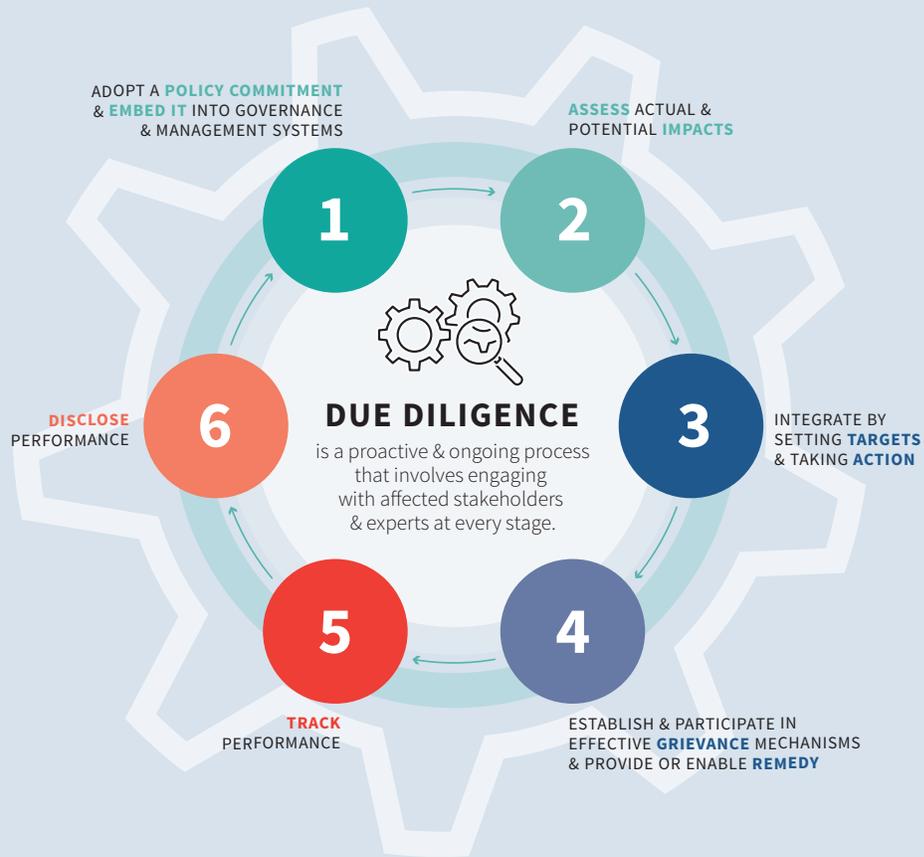
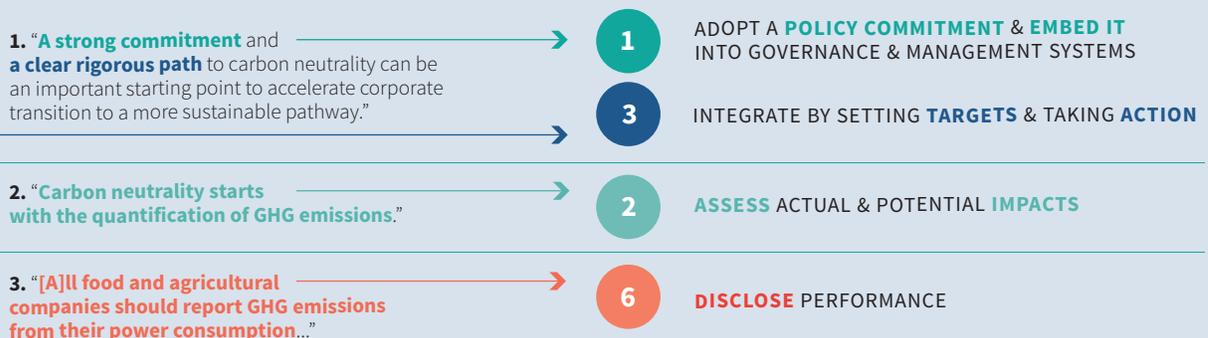


FIGURE 3: RE-ORGANIZING SAMPLE GREENHOUSE GAS EMISSIONS INDICATORS INTO THE STANDARDS' UNIFORM STEPS



Source: Sachs et al., "Fixing the Business of Food: How to Align the Agrifood Sector with the SDGs."



ALIGNMENT OF STANDARDS WITH EXISTING FRAMEWORKS

The 2030 Agenda recognizes the role of existing international standards on responsible business conduct, “such as the Guiding Principles on Business and Human rights and the labour standards of the International Labour Organization, the Convention on the Rights of the Child and key multilateral environmental agreements.”²⁹ Accordingly, our standards use existing internationally- recognized standards, such as international human rights standards, the Paris Climate Agreement, and guidelines for their implementation as their core foundation.

Where international law has already established the authoritative global standard for an issue, the Four Pillar Framework standards lay out what international law requires, link to relevant instruments, and provide guidance for meeting those expectations. The Four Pillar Framework standards aim to support and bolster international legal expectations and do not supplant international law, jurisprudence, or practice.

The Four Pillar Framework is grounded in international standards and aligned with leading benchmarks and resources. Some of these key sources are listed in the table below:

TABLE 1: INTERNATIONAL STANDARDS, BENCHMARKS & RESOURCES

INTERNATIONAL STANDARDS	LEADING BENCHMARKS AND RESOURCES
<ul style="list-style-type: none"> • International Bill of Rights and other human rights instruments • The UN Guiding Principles on Business and Human Rights • The OECD Guidelines for Multinational Enterprises • The Paris Agreement 	<ul style="list-style-type: none"> • GRI Standards • World Benchmarking Alliance <ul style="list-style-type: none"> • Social Transformation Framework to measure and incentivize companies to leave no one behind • Methodology for the Food and Agriculture Benchmark • Corporate Human Rights Benchmark Methodology 2020 for the Agricultural Products, Apparel and Extractives Industries • Access to Nutrition Index (ATNI) Methodology • Committee on World Food Security Principles for Responsible Investment in Agriculture and Food Systems • Oxfam <ul style="list-style-type: none"> • Behind the Brands Scorecard Methodology • Shining a Spotlight: A Critical Assessment of Food and Beverage Companies • Living Income: From Right to Reality

The objective of the Framework is to drive business practices that improve outcomes for people and planet.

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Corn crop in the United States.
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PART 2

HANDBOOK FOR SDG-ALIGNED FOOD COMPANIES

SDG-alignment is not a nice-to-have or communications tool for philanthropic or social impact programming. SDG-aligned companies do not cherry-pick the issues they wish to contribute to and report on. They tackle all four of the pillars to align with – and spur the greatest contributions to – the SDGs.

GLOSSARY OF KEY TERMS

Broader ecosystems: A term of art used to refer to the broader communities and environments surrounding a company's operations and value chain. The concept is used to refer to both (1) the ways in which broader contexts can create the root causes of impacts in the company's operations and value chains as well as (2) the ways in which companies can contribute to addressing these root causes in communities and environments which extend beyond the company's operations and value chain.

Business relationships: These are the relationships a company has with business partners, entities in its value chain, and any other State or non-State entity directly linked to its operations, products, or services. They include indirect relationships in its value chain, beyond the first tier, and minority as well as majority shareholding positions in joint ventures. It covers both upstream and downstream relationships.

Grievance mechanism: A grievance mechanism is any routinized, State-based or non-State-based, judicial or non-judicial process through which grievances or complaints concerning business-related human rights abuse can be raised and remedy can be sought. They can be used by individuals, workers, communities, and civil society organizations that are being negatively affected by business activities and operations. Effective operational-level grievance mechanisms are based on dialogue and mediation with affected stakeholders, rather than adjudication by the company, and do not substitute legal remedies (the UNGPs' Effectiveness Criteria for Non-Judicial Grievance Mechanisms further define the concept of effective grievance mechanisms with nine criteria).

Leverage: Leverage refers to the ability of a business enterprise to effect change in the wrongful practices of another party that is causing or contributing to an environmental or social impact.

Remedy: Remedy refers to both the process of providing remedy for a negative environmental or human rights impact and the substantive outcomes that can counteract, or make good, the negative impact. These outcomes may take a range of forms such as apologies, restitution, rehabilitation, financial or non-financial compensation, and punitive sanctions (whether criminal or administrative, such as fines), as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition.

Value chain: A company's value chain consists of all the activities that convert input into output by adding value. It includes entities with which the company has a direct or indirect business relationship and which either (a) supply products or services that contribute to the company's own products or services or (b) receive products or services from the company.

The Framework's approach aligns with the expectation that companies focus their contributions to the SDGs on their own value chains while also acknowledging the potential for companies to contribute in ways that reach beyond their value chains and have positive impacts on people and planet in their broader ecosystems.



INTERCONNECTEDNESS OF THE STANDARDS

As more attention is paid to company alignment with the SDGs and company sustainability more broadly, it is becoming more important for companies and their stakeholders to understand the connections between nutritional, environmental, social, and governance issues. Recent and ongoing developments, such as the European Union's proposed Mandatory Environmental and Human Rights Due Diligence Law and the United Nations Human Rights Council's recognition of the human right to a safe, clean, healthy, and sustainable environment, highlight the need to consider these connections. In line with the holistic scope of the SDGs, our standards account for the complex ways in which environmental and social challenges facing the global food system are interconnected.

CATALYTIC INTERVENTIONS

By their nature, topic-specific standards are organized as if they are distinct, siloed issues. However, the reality is that many interventions which are proven to drive positive change in one area will also drive positive change in others. Where that is the case, we have included such interventions in more than one standard. Some examples of these catalytic interventions are described below.

Examples of catalytic interventions:

1. Waste and Food Security

Minimizing food loss and waste by, for example, bolstering cold chains and other infrastructural development to retain the nutritional value of perishable commodities such as fruits, vegetables, dairy, and fish, particularly in resource-limited settings, can significantly reduce food insecurity. Our standards, therefore, reflect that minimizing food loss and food waste is an intervention with cross-cutting impact across both the Food Security and Waste standards.

2. Living Income and Child Labor

Low agricultural commodity prices that do not allow producers to sustain a living income increase the economic vulnerability of households which is one of the main root causes of child labor. Ensuring producers can earn living incomes, therefore, can significantly reduce child labor risks in supply chains. Our standards reflects that ensuring producers earn living incomes contributes to achieving both the Living Incomes and Wages standard and the Child Labor standard.

3. Agrochemicals & Sustainable Agriculture and Operational Health & Safety

Excessive and indiscriminate use of agrochemicals, including fertilizers and pesticides, cause environmental damage to ecosystems and degrades soil and natural resources. Their use also has deleterious effects on the health of farmworkers and their families. Minimizing agrochemical use is therefore central to ensuring both environmental protection and that healthy and safe working environments for workers and producers in food value chains. Therefore, the cross-cutting impact of this intervention is reflected in both the Agrochemicals & Sustainable Agriculture standard and the Occupational Health & Safety standard.

4. Freedom of Association & Collective Bargaining and Other Labor Rights

When workers cannot freely associate and collectively bargain, they are more vulnerable to exploitation in the workplace resulting in lower wages, unsafe working conditions, and discrimination. For this reason, the rights to freedom of association and collective bargaining are considered enabling rights; they are essential prerequisites for the exercise of other labor rights by balancing power and ensuring workers' voices are heard and integrated into business decision-making. Our standards reflect that by taking action to ensure the rights to freedom of association and collective bargaining are respected in their operations and value chains, companies contribute to meeting the Freedom of Association & Collective Bargaining standard, as well as the other five standards related to labor rights.

The standards in Pillars 1 and 4 in particular feature a significant degree of catalytic interventions due to their cross-cutting scopes. Efforts to align with the Pillar 4 standards are distinctly catalytic due to their potential for society-level impact, as well as the fact that they are not issue- or impact-specific.

Examples of particularly catalytic Pillar 1 and 4 standards:

1. Healthy & Sustainable Product Portfolios

The Healthy & Sustainable Product Portfolios standard considers how companies can improve their sustainability by choosing product ingredients which are produced using more sustainable methods and practices. These choices impact alignment with the environmental standards relating to companies' operations and value chains.

2. Food Security

In addition to guiding companies on pricing practices which can impact consumers' access to healthy staple foods, the Food Security standard also considers how the company's and their business relationships' practices at the agricultural level may impact the food security and food sovereignty of farming communities.

3. Policymaking Influence

Ceasing activities that directly and indirectly influence policymakers to deregulate the labor market or to avoid putting a price on carbon, for example, are recognized as potential interventions to drive positive impacts in labor rights- and climate-related standards, but also the broader Policymaking Influence standard.

4. Governance & Management

Finally, the Governance and Management standard is particularly cross-cutting. This is reflected in the fact that “embedding the policy into governance and management systems” is its own sub-step included in all standards. The Governance and Management standard provides a broader umbrella for these measures, detailing non-issue-specific steps companies should take at the governance and management levels to become more environmentally and socially sustainable across all areas of the other twenty standards.

HUMAN RIGHTS-BASED APPROACH TO RESPONSIBLY MANAGING TRANSFORMATIONS

It is not always the case that efforts to achieve one standard will contribute to, or have a neutral effect, on the achievement of others. A major obstacle to achieving the SDGs lies in the reality that rapid changes in economic activities and investments to mitigate climate change, including transitioning away from high-emitting sectors, will have positive impacts on the environment, but without deliberate management, will have negative impacts on the livelihoods of millions. The notion of a “just transition” captures the need to bring a human rights- or people-centric lens to all of these economic shifts to ensure no one is left behind. Companies need be deliberate in selecting approaches that ensure their efforts do not adversely impact on people.

Our standards’ use of the human rights framework of the UN Guiding Principles has provided us with some of the tools that can help companies manage these considerations. These include the integration of the following across all standards, including environmental standards: the expectation that policies align with the relevant international human rights standards and the integration of engagement with affected stakeholders, establishing and participating in effective grievance mechanisms, and providing or enabling remedy.

This also includes the expectation that companies use leverage in their value chains and broader ecosystems throughout the standards. This approach calls upon companies not to rapidly end relationships with suppliers and other businesses that have links to human rights and environmental impacts, but rather to use their leverage to influence and support these actors in changing their practices and behaviors. Only as a last resort, when the appropriate changes are not or cannot be made, should a company disengage, and such disengagement should be done in a way that minimizes impacts on people to the greatest extent possible. Some examples of how this works in the standards are described below.

Examples of employing a human-rights based approach to responsibly managing transformations:

1. Agrochemicals & Sustainable Agriculture

An overnight transition away from fertilizers and pesticides would be detrimental to producers’ livelihoods as well as communities’ food security due to changes in productivity. For this reason, our Agrochemicals & Sustainable Agriculture standard does not call for enforcing bans on certain agrochemicals all at once. Instead, it provides guidance on developing and implementing transition plans with producers to allow for the steady reduction of the quantity of agrochemicals used, with the interests of maintaining yields and livelihoods, enabling food security, and minimizing risks to the environment and human health all in view.

2. Child Labor

Even in relation to human rights issues, such as child labor, companies risk contributing to worse outcomes for people if they are overly focused on rapid compliance. The approach they take matters. The Child Labor standard uses the “broader ecosystem” approach to capture the ways companies should make interventions in agricultural supply chains to prevent child labor without inadvertently leaving children and their families worse-off. The approach does not call for immediately disengaging from suppliers or regions at the first sign of child labor impacts being identified. If this were the case, families who were likely already vulnerable would be left without income, and their children may be forced to engage in even more precarious forms of labor. Rather, the company should make adjustments to its own activities, business model and value proposition if they incentivize child labor; work with producers to achieve continuous improvement; and, where appropriate, work with others to address root causes of child labor in the operating context.

To align with the SDGs, companies and other stakeholders will need to consider the interlinkages between nutritional, environmental, social, and governance issue areas, as well as how to responsibly manage transformations with a rights-respecting approach.



GUIDE TO THE STANDARDS' UNIFORM FORMAT

All of the standards broadly follow the same format to aid companies in easily finding the steps and actions SDG-aligned companies undertake. This uniform format is outlined as a reference tool in the table below.

TABLE 2: GUIDE TO THE STANDARDS' UNIFORM FORMAT

COMMITMENT: The commitment is a concise and clear statement of the company commitment relevant to each standard.

CONTEXT: The commitment statement is followed by a narrative explaining the issues that are relevant to the standard, how they relate to the operations and value chains of food companies, and their relevance to SDG-alignment.

SDG-ALIGNMENT: A text box then highlights the specific SDGs alignment with the standard contributes to.

STEPS TO MEET THE COMMITMENT: This section is divided into six steps which are expanded upon specifically as they relate to meeting the commitment to each standard.

Step 1: Adopt a policy and embed it into the governance and management systems

- 1.1 **Adopt a policy:** The company's commitment is reflected in a policy adopted by the most senior level of the company.
- 1.2 **Embed the policy into governance and management systems:** To make the policy meaningful, the company embeds it into governance and management systems.

Step 2: Assess actual and potential impacts: To establish a baseline, the company assesses how it is or may be currently involved in impacts related to the standard. This section includes examples of methods and issues to consider in each company's assessment of actual and potential impacts.

Step 3: Integrate by setting targets and taking action

- 3.1 **Set Targets:** Based on the findings of the assessment outlined in Step 2, the company sets targets for continuous improvement tailored to its business. This section provides guidance, and in many places, examples of specific, time-bound intermediate and long-term targets to align with the standard within set dates.
- 3.2 **Take Action:** This section provides examples of how to integrate the findings of the assessment and take action to meet its targets, including examples of measures to prevent and mitigate actual or potential impacts related to the standard.

Step 4: Establish and participate in effective grievance mechanisms and provide or enable remedy

- 4.1 **Establish grievance mechanisms:** The company establishes effective grievance mechanisms to address grievances of negative impacts the company may have been involved with.
- 4.2 **Cooperate in State-based grievance mechanisms:** The company cooperates where grievances are brought through State-based grievance mechanisms, pays fines ordered, and does not impede victim's access to remedy and justice.
- 4.3 **Provide or enable remedy:** The company provides remedy where it caused or contributed to the impact and uses its leverage to enable remedy where it was directly linked to the impact.

Step 5: Track performance: The company establishes and measures performance against indicators to track progress to meet the standard over time.

Step 6: Disclose performance: The company formally discloses accurate, clear, third-party verified, and accessible information to enable accountability.



PILLAR 1
BENEFICIAL
PRODUCTS

1

HEALTHY & SUSTAINABLE PRODUCT PORTFOLIOS

STANDARD



Commitment

Employ responsible, equitable, and honest marketing and labeling practices that allow consumers to easily make informed choices and do not exploit vulnerable populations.

Hydroponic lettuces.
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Nutrition plays a major role in human health and well-being. Severe food insecurity and undernutrition are responsible for almost 1 out of every 2 deaths among children under five worldwide. An estimated 2 billion people also suffer from micronutrient deficiencies, including those of iron, zinc, iodine, and vitamin A, which pose severe threats to pregnancy and childhood development globally.¹

Concurrently, 39% of adults are now overweight or obese, and the estimated worldwide prevalence of obesity has tripled in the last 50 years.² The rise in cardiometabolic disorders and diet-related chronic disease (e.g., cardiovascular diseases, diabetes, and some cancers) has been instigated by an increasingly unhealthy food supply as well as declines in work, transportation, and living environments conducive to physical activity. According to the WHO, “[d]iseases caused by either lack of access to food, or consumption of unhealthy, high calorie diets, are now the single largest cause of global ill health.”³

Although once stratified by a country’s level of economic development, a dual burden of both undernutrition and chronic disease is now increasingly experienced universally across high, middle, and low-income countries. It is particularly prevalent in urban areas and among those living in poverty.⁴



Malnutrition^a in all its forms, including undernutrition, nutrient deficiencies, and overnutrition, is a consequence of dietary patterns with low diversity in nutrient-rich whole foods such as fruits and vegetables, nuts, legumes, whole grains, and seafood. Meanwhile, ultra-processed foods, which typically contain an excess of calories, added or free sugars, sodium, saturated fats, *trans* fats,^b and artificial additives, increase chronic disease risk, promote overeating, and are often insufficient in dietary fiber and essential vitamins and minerals.⁵ Accumulating evidence also suggests that diets high in animal products such as red (e.g., beef, pork, lamb) and processed meats (e.g., ham, bacon, sausage) can promote chronic disease development.⁶ Large-scale monocultures and livestock production can also contribute to food insecurity, particularly in resource-limited settings, by diminishing smallholder land ownership and livelihoods (e.g., food industry land grabbing) and contributing to climate change-related resource constraints.⁷

The highest attainable standard of health is a fundamental right of every human being.⁸ Food is foundational for health, and the human right to food is also internationally-recognized, calling for food to be available, accessible, and adequate, meaning that it should satisfy all nutritional and dietary needs while taking into account lifespan development, socioeconomic conditions, health, sex, and other contexts. In accordance with the corporate responsibility to respect all internationally-recognized human rights, business enterprises have an important role in ensuring and improving nutrition and sustainable food security.⁹

BOX 1: KEY RESOURCES FOR HEALTHY AND SUSTAINABLE PRODUCT PORTFOLIOS

- Code of Ethics for International Trade in Food, adopted by the Codex Alimentarius, which includes principles to protect the health of consumers.¹²
- 2016 FAO / OECD Guidance for Responsible Agricultural Supply Chains, which includes principles relating to sustainable natural resource use, land rights, health and safety, food security, and malnutrition.¹³
- Guiding Principles on Human Rights Impact Assessments of Trade and Investment Agreements, which include due diligence protections of right to adequate food.¹⁴
- CFS Principles for Responsible Investments in Agriculture and Food Systems, which include contributions to national food security and nutrition.¹⁵

Current food industry product portfolios are not conducive to human and planetary health, putting major strains on both health and environmental systems. Worldwide diet-related healthcare spending is expected to exceed USD 1.3 trillion per year by 2030.¹⁰ Current food production practices also account for over one-third of global greenhouse gas emissions, largely attributable to enteric fermentation, land use, and land use changes.¹¹ Food companies are responsible for the negative human health impacts and environmental consequences of their products, as well as related business practices and partnerships across their value chains (e.g., wasteful food procurement and packaging, deceptive marketing and labeling, calorie-dense meals and menu combinations at point-of-sale).

The promotion of healthy and sustainable dietary patterns is heavily predicated on the food products delivered and made available to consumers by food companies. Food companies directly shape the nutritional quality and environmental impacts of their products through a variety of practices, including product development decisions, agricultural procurement, processing and formulation, and marketing strategies. Product portfolios should thus be predominantly composed of a variety of healthy and sustainably-produced foods, including whole fruits, vegetables, whole grains, nuts, and legumes. SDG-aligned food companies also pay particular attention to making healthful food processing decisions, including efforts to ensure food products align with population nutritional needs, minimize use of harmful ingredients (e.g., added or free sugars, sodium, saturated fats, *trans* fats), and do not promote overeating and consequent diet-related disease. Shifts in product portfolios towards diverse, plant-sourced foods are leveraged to reduce reliance on environmentally-damaging monoculture cropping systems, cattle ranching, and large-scale, industrialized livestock feeding operations.

Given their product portfolios' outsized impacts on nutrition and planetary health, SDG-aligned companies proportionally increase the production of healthy and sustainable food products. They also implement this commitment across their value chain and in broader ecosystems (e.g., public policy, health organization partnerships), remedy previous health and environmental harms, and publicly disclose their performance in attaining these goals.

- Malnutrition includes "deficiencies, excess, or imbalances in a person's intake of [calories] and/or nutrients. The term encompasses 3 broad groups of conditions: (1) undernutrition, which includes wasting (low weight-for-height), stunting (low height-for-age), and underweight (low weight-for-age); (2) micronutrient-related malnutrition, which includes micronutrient deficiencies (a lack of important vitamins and minerals) or micronutrient excess; and (3) overweight, obesity and diet-related noncommunicable diseases (such as heart disease, stroke, diabetes, and some cancers)." (Source: World Health Organization (WHO), "Malnutrition - Fact Sheets.")
- The chemical word *trans* is italicized by scientific convention.



SDG 2 – Zero hunger

Target 2.1: By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious, and sufficient food all year round.

Target 2.4: By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding, and other disasters and that progressively improve land and soil quality.



SDG 3 – Good health and well-being

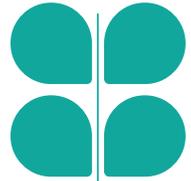
Target 3.4: By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.



SDG 12 – Responsible consumption and production

Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.



BENEFICIAL PRODUCTS



STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior level of SDG-aligned companies adopt a policy aligned with their public commitment to respecting the rights to food, health, life, and a healthy environment, which involves increasing the relative inclusion and variety of healthy and sustainable foods in product portfolios. The redesign of portfolios involves relative, rather than absolute, increases in healthy and sustainable products, so it also entails a proportional decrease in unhealthy and unsustainable food production. Unhealthy and unsustainable food products are, thus, eliminated and replaced until healthy and sustainable products comprise at least the majority of the company's product portfolio. The policy:

- Is informed by affected stakeholders and relevant internal and external expertise.
- Aligns with and explicitly references the standards listed in Box 2.¹⁶

BOX 2: INTERNATIONAL HUMAN RIGHTS STANDARDS ON THE RIGHTS TO HEALTH & FOOD

- Universal Declaration of Human rights, Article 25.¹⁷
- International Covenant on Economic, Social and Cultural Rights, Articles 11 and 12.¹⁸
- International Convention on the Elimination of All Forms of Racial Discrimination, Article 5 (e)(iv).¹⁹
- Convention on the Elimination of All Forms of Discrimination against Women, Articles 11(1)(f), 12, and 14(2)(b).²⁰
- Convention on the Rights of the Child, Article 24.²¹
- International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, Articles 28, 43(e), and 45(c).²²
- Convention on the Rights of Persons with Disabilities, Article 25.²³

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Embed their commitment to integrating a core focus on nutrition and health strategies into their mission statement and overall business strategy.²⁴
- Communicate expectations for implementing the policy internally and externally to their workforce, shareholders, subsidiaries' governing bodies, and business relationships directly linked to their products, operations, and services.
- Integrate the policy into operational policies and procedures across the business and value chain.
- Integrate the policy into by-laws and other governance documents (i.e., Code of Conduct, Code of Ethics), and management procedures.²⁵
- Integrate the policy into contracts and other agreements. In the case of pre-existing relationships, such agreements are updated with statements that require signatories to adhere to practices that align with the standard.
- Disclose who has formal accountability for implementing the health and sustainability commitment at the senior level (e.g., CEO, executive committee, senior manager) and concretely links their remuneration to the strategy's targets and objectives.
- Ensure their business practices and the incentives they create do not contradict the policy in form or substance.

2. ASSESS ACTUAL & POTENTIAL IMPACTS

SDG-aligned companies identify and assess actual and potential impacts of product portfolios on health and sustainability. This includes ongoing evaluation of performance against robust nutritional and environmental standards across the value chain, including new product development, product reformulation (where appropriate), ingredient procurement, food loss and waste mitigation, and consumer awareness practices. Particular attention is given to characterizing nutritional, environmental, and human impacts of ultra-processed foods, animal-sourced products, where relevant, as well as that of plant-sourced alternatives.

The companies conduct ongoing and systematic nutritional assessments across product portfolios to prevent disease and promote health. To systematically assess the health and nutritional quality of their products, SDG-aligned companies regularly assess the impact of product portfolios, food processing, ingredient selection, and menu combinations in terms of individual and population health by identifying those that actually or potentially increase health risks (e.g., weight gain, malnutrition, chronic disease) and those that actually or potentially promote health and address public health needs (e.g., increase dietary diversity, prevent micronutrient deficiencies).

This includes:

- **Identifying the extent and purpose of food processing in their product portfolios** using the NOVA food classification system or other well-validated, internationally-recognized definitions. Emphasis is given to processing and other aspects of formulation that reduce the healthiness of food products, including those that increase hyper-palatability and, thus, promote cravings and overeating; do not preserve, add, or fortify important nutrients, such as dietary fiber, protein, vitamins, and minerals; and contain an excess amount of ingredients associated with diet-related disease (e.g., added or free sugars, sodium, saturated fats, trans fats).
- **Basing nutrient content assessments on robust scientific evidence** (e.g., extensive product category-specific nutrition criteria). These assessments:²⁷
 - Identify both positive (e.g., fiber, vitamins, minerals) and negative (e.g., added or free sugars, sodium, saturated fats, trans fats) nutrients and other food aspects.
 - Are rigorous and strictly applied, with good levels of one nutrient not compensating for poor levels of another.
 - Assess servings as they are or would be consumed, taking into account (a) the target adult and/or child consumer, (b) typical amount that is consumed in a given sitting, (c) main product usage (e.g., meal, snack, condiment), and (d) how the product is typically prepared (e.g., with milk, fried in oil). Serving sizes reflect actual amounts of food typically consumed (i.e., portion sizes) and are not used deceptively to alter the product's apparent energy and nutrient content (e.g., two or more servings in one package for certain products).
 - Cover all categories of food and beverage products as well as typical meals and menu combinations at point-of-sale.
 - Enable differentiation of nutritional quality within and between food product categories.
 - Generate meaningful results across different markets and geographic regions.
 - Are well-validated, internally consistent, and guided by robust nutrition principles, with results published in peer-reviewed literature.
 - Are available in the public domain, with methodology readily applicable.
- **Taking into consideration how their food products are consumed and their role in typical diets**, including:
 - What portion sizes and at what frequencies their products are actually used, especially those that are typically overconsumed and associated with diet-related disease (e.g., unhealthy, ultra-processed foods).
 - How their food products are typically used at home (e.g., cooked meals, snacks) as well as how they are marketed and sold in combination with other foods at restaurants, supermarkets, and other food vendors (e.g., calorie-dense fast food menu options).
 - The extent to which their food products contribute to overall healthy and unhealthy diets in various populations and geographic regions.
- **Identify how their business models and common business practices incentivize or facilitate unhealthy food production** (i.e., unhealthy, ultra-processed foods and other foods high in added or free sugars, sodium, saturated fats, or trans fats; red and processed animal meat products) and healthier food production (i.e., unprocessed or minimally processed foods such as fresh fruits, vegetables, whole grains, legumes, nuts, fish; healthfully formulated processed foods).²⁸
- **Engage with qualified and credible nutrition and health experts to conduct assessments**, including clarifying potential ambiguity in or updates to nutritional and processing guidelines. Disaggregated individual-level food purchasing data (e.g., supermarket loyalty card memberships) and other measures of consumer product purchasing and use patterns are released for external research, consumer awareness, and other accountability mechanisms.
- **Regularly consult with consumers and other potentially affected stakeholders** to assess the health and environmental impacts of products, operations, and business relationships, with particular attention to the specific needs of priority populations.^c
- **Draw upon international guidelines and national public health plans to understand the risk and prevalence of diet-related disease**, including micronutrient deficiencies and chronic disease among priority populations, in specific markets and identify amelioration strategies in product design (e.g., labeling, product diversification, product reformulation, food fortification, marketing).²⁹
- **Cooperate at a sector-wide and, where relevant, cross-sectoral level with governments, researchers, international health organizations, and other stakeholders** to continually update and refine nutritional and public health priorities for general and priority (e.g., food-insecure, pregnant, breastfeeding, child/adolescent, elderly, chronically ill) populations.³⁰

c. Priority populations “intends to capture the multiple layers of marginalization that may shape peoples’ lives, which, in turn, can result in them experiencing (or heightening their risk of experiencing) malnutrition at higher rates than the general population.” These include: (1) Life stages such as infancy, childhood, pregnancy and people of childbearing age, and the elderly; (2) Socioeconomic factors that impact the affordability and accessibility of healthy food products, including wealth, income level and reliability, and education; (3) Geographic factors such as distance from food vendors and distribution centers, infrastructure, and risk of natural disaster. (Source: Access to Nutrition Initiative, “Global Access to Nutrition Index 2021 Methodology.”)



SDG-aligned companies also identify and evaluate actual and potential impacts of their product portfolios on the environment, including considerations for:

- **Main sourcing of ingredients, crops, and animal inputs** and how their production may contribute to environmental degradation (e.g., ecosystem threats, biodiversity loss, soil degradation, water pollution, climate change), with particular attention paid to products produced through industrialized monocropping systems, cattle ranching, and other large-scale livestock and fishing operations.
- **Plastic and other synthetic materials use** in packaging, marketing, restaurants, transportation and other activities, especially those that are non-recyclable and non-essential to extending shelf-life or ensuring food safety.
- **Practices that augment food loss and waste**, including poor food supply chain coordination (e.g., inadequate harvesting times, overproduction) and underinvestment (e.g., inadequate storage, handling, transportation systems), inappropriate expiration date labeling, and oversized meals at point-of-sale.³¹

3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their comprehensive healthy and sustainable product portfolio assessment outlined in **Step 2** into business decisions, processes, and functions by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific, time-bound intermediate and long-term targets to establish healthy and sustainable product portfolios and to contribute significantly to the achievement of the SDGs, especially SDGs 2, 3, and 12. The intermediate targets are relevant for the companies to monitor the continuous improvement towards meeting the standard across operations and the value chain. Where possible, indicators measure outcomes rather than outputs or activities. These targets are tailored to the business activities of the companies and are based on their assessments of actual and potential impacts. The following are examples of performance indicators to track progress over time:

- By 2030, 100% of foods that do not align with the company's health and sustainability commitment (e.g., unhealthy, ultra-processed foods and other foods that are high in added or free sugars, sodium, saturated fats, or trans fats and low in fiber, vitamins, and minerals) are phased out of production and sales.
- By 2030, the company has eliminated ingredient procurement from intensive, large-scale livestock operations and has shifted towards sustainable production of healthy and, where relevant, nutritionally equivalent plant-sourced foods.

3.2. TAKE ACTION

SDG-aligned companies integrate the findings of the assessments of their product portfolios' nutrient qualities and actual and potential health and sustainability impacts into relevant internal activities and processes. They take appropriate action to prevent, mitigate, and remediate negative health and environmental impacts of their food products based on their nutrient content, formulation, and processing. SDG-aligned companies factor in the sustainability and nutritional quality of products into decisions about product development and targeted market expansion, including research and development, new product formulation, and existing product reformulation. Depending upon assessment findings, SDG-aligned companies can redesign product portfolios by:

- **Phasing out production of products that do not align with a core focus on nutrition and health**, including unhealthy, ultra-processed foods and other foods that are high in added or free sugars, sodium, saturated fats, or trans fats; use industrial and artificial additives such as colors, flavors, emulsifiers, and preservatives that lead to hyper-palatability, cravings, and overeating; and are high in caloric density and low in fiber, vitamins, and minerals. These can include sweetened and sugary drinks; refined starchy foods such as cookies, pastries, chips, refined grain breakfast cereals and breads; processed meats such as bacon, sausages, canned and preserved meats; and fast food restaurant meals.³²
- **Increasing the production and variety of unprocessed and minimally processed foods in their product portfolios.** These include fresh fruits, vegetables, whole grains, legumes, nuts, poultry, fish, and eggs.³³
- **Healthfully formulating processed food products** such as canned vegetables, legumes, and fish; fruit in syrup; plant-sourced milks; and culinary ingredients such as plant oils and whole grain flours and pastas. Processing is minimal, typically done to prolong product duration (e.g., shelf-life), protect the original nutrient quality, or prevent pathogen growth, and generally involves naturally-occurring ingredients. Healthful formulation includes nutrient, vitamin, and mineral fortification to, for example, restore nutrients lost during processing; to address a priority population's health and nutritional needs; to meet nutritional guidelines; or to comply with national or international nutritional standards and regulatory mandates.³⁴
- **If selling animal-sourced foods, transitioning towards diversified protein and fat portfolios, including a shift to more plant sources** (e.g., legumes, nuts, whole grains, vegetables) and sustainably-produced poultry and fish whilst also addressing wider protein and micronutrient deficiencies in relevant markets and priority populations. This includes the production of non-animal products and substitutes that reach nutritional equivalence to animal products via healthy, appropriate ingredient combinations or nutrient fortification.³⁵

Where relevant, SDG-aligned companies also consider specific population nutritional and health needs for product development and market expansion. These strategies include:

- **Engaging with both potentially affected stakeholders, non-governmental organizations, and academic institutions to inform the company's health and sustainability commitment**, including establishing a formal panel of external experts with a broad range of expertise (e.g., diet-related chronic disease, micronutrient deficiencies, responsible marketing and labeling, environmental and agricultural sciences) to weigh in on product design, the current portfolio's actual and potential impacts, and other activities related to their nutrition and sustainability commitments.
- **Classifying all products according to their extent and purpose of processing, nutrient levels, typical role in consumer diets, and associated health effects** and applying findings to inform new product development, reformulation, and lawful and appropriate population-specific marketing decisions (e.g., children).³⁶
- **Implementing maximum and minimum nutrient levels in processed food products using appropriate portion sizes**, especially maximums of calories, added or free sugars, sodium, saturated fats, *trans* fats, and artificial additives, as well as minimum amounts of unprocessed or minimally processed fruits, vegetables, whole grains, legumes, and nuts in menus and meals at point of sale.³⁷
- **Using geographic-specific information on health and nutrient status of priority populations** (e.g., food-insecure, people of childbearing age, children) and internationally recognized regional criteria (e.g., nutrient deficiency prevalence) to inform vitamin and mineral fortification in specific markets.³⁸
- **Phasing out or immediately eliminating packaging, marketing, and sales strategies that do not align with a core focus on health and environmental sustainability**, including packaging made with non-recyclable plastic and other synthetic materials; hyper-attractive packaging, labeling, and other marketing techniques for unhealthy food products; and joint marketing and sale of unhealthy, ultra-processed food products as calorie-dense meals or snack combinations. SDG-aligned companies also use their leverage to influence point-of-sale business partners (e.g., restaurants, fast food chains, grocery stores, and convenience stores) to do the same, and invest in or develop products with smaller packaging or serving sizes to improve consumer portion control.³⁹

SDG-aligned companies also improve sustainability in their value chains by using leverage with business partners and in their broader ecosystems, including to:

- **Transition away from monoculture crops** such as corn, wheat, and soya, for use in less healthy, more processed foods, towards healthy, sustainable food production.
- **Phase out reliance on intensive livestock farming and fishing** in their ingredient procurement, including a reduction in animal-sourced foods in their product portfolios.⁴⁰ This can include committing to and providing evidence of protein and fat diversification activities, such as research and development, acquisitions, reformulation, product expansion, marketing, or product placement surrounding minimally processed or healthfully-formulated plant-derived food products.⁴¹

Using leverage with business partners and in their broader ecosystems includes engagement with policymakers consistent with SDG alignment, including:

- **Engaging with governments and policymakers in support of specific, independent, and evidence-based measures to improve health and sustainability**, consistent with public interest. These include:
 - Incentives to shift use of commodities such as corn, soybeans, rice, and sorghum away from production of ultra-processed foods and animal feed towards healthy foods intended for direct human consumption.
 - Food subsidies for fresh fruit and vegetable production and sales, as well as purchasing incentive programs for general consumers and priority populations.
 - Taxation of highly sweetened and sugary drinks.⁴²
- **Ensuring that lobbying practices respect public policy** and are consistent with internationally recognized human rights and anti-corruption frameworks, ensured by internal oversight, independent audits, and whistleblower mechanisms.



4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

SDG-aligned companies establish effective operational-level grievance mechanisms^d that are accessible to stakeholders to report adverse impacts of unhealthful and unsustainable products. The grievance mechanisms evaluate violations of the standard and determine appropriate remedy for impacts on consumers, communities, and other stakeholders. This includes setting up and actively monitoring visible, transparent, and efficient grievance reporting systems.

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies commit to respectful, equitable, and transparent cooperation with judicial grievance and remediation processes. The company refrains from using legal waivers that preclude access to judicial recourse for victims. Where State-based mechanisms order sanctions or remedy, the company complies and uses leverage to ensure its business relationships comply.

4.3. PROVIDE OR ENABLE REMEDY

To remedy identified harms to individuals or communities, SDG-aligned companies actively and equitably seek to make whole the harmed person or group. Remedy may involve:

- Direct compensation to consumers harmed by unhealthful product formulation, false or misleading marketing or labeling, substandard food quality, and other negative health impacts.
- Compensation through company contributions to community funds, health systems, health and environmental non-profit organizations, and other safety nets to provide health promotion, treatment, and prevention resources.
- Remediation, restoration, and return of land and water resources, where production has harmed natural resources and small-scale food producers' ability to produce their own food.⁴³

d. As defined by the UNGPs' Effectiveness Criteria for Non-Judicial Grievance Mechanisms ("In order to ensure their effectiveness, non-judicial grievance mechanisms, both State-based and non-State-based, should be: (a) Legitimate... (b) Accessible... (c) Predictable... (d) Equitable... (e) Transparent... (f) Rights-compatible... (g) A source of continuous learning... Operational-level mechanisms should also be: (h) Based on engagement and dialogue...") (see UNGP 31 for further information). (Source: United Nations, "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework.")

5. TRACK PERFORMANCE

SDG-aligned companies track implementation measures to meet the standard through qualitative and/or quantitative outcome-based performance indicators, on an ongoing basis and in partnership with suppliers and other business relationships in their value chain. In particular, SDG-aligned companies monitor whether actions are implemented within their own target dates. The companies regularly disclose performance against targets, such as sales-weighted performance data.⁴⁴ Evaluating performance against the standard includes targets that reflect both product formulation and typical consumption behavior (e.g., portion sizes, menu combinations, cooking practices). The following are some examples of performance indicators to track progress over time:

- Changes in the percentages of product portfolio that are identified as (a) unprocessed or minimally processed foods, (b) healthfully-formulated processed foods, (c) unhealthy, ultra-processed foods and other foods high in artificial additives, added or free sugars, sodium, saturated fats, or trans fats, and (d) animal-sourced products, based on validated classification systems
- Changes in the nutrient and processing quality of the product portfolio, informed by internal health and nutrient standards and other validated external metrics (e.g., NOVA food classification system)⁴⁵
- Percentage of menus, point-of-sale, recipe labels, and other marketing strategies that increase sales of unprocessed and minimally processed fresh fruits, vegetables, whole grains, legumes, and nuts
- Changes in formulation and reformulation that align with international guidelines and national health and nutrition plans, including absolute and relative reductions in calories, added or free sugars, sodium, saturated fats, and trans fats as well as transparent and realistic portion and serving size designations⁴⁶
- Percentage of food fortification and related-operations that are aligned with international guidance and malnutrition amelioration strategies (e.g., CODEX CAC/GL 9-1987), including evaluation of regional prevalence, risk factors, and health consequences of nutrient-specific deficiencies; sustainable ingredient sourcing; and lawful and safe formulation⁴⁷
- Changes in protein and fat diversification that include replacing a proportion of animal-sourced products with nutritious plant-sourced foods, sustainably-produced fish and seafood, poultry, and other alternatives.⁴⁸ This may include targeting increased production of non-animal products that are fortified to obtain nutritional equivalence in the amount and bioavailability of an essential nutrient typically obtained from animal foods where there is scientific evidence to support it.⁴⁹

SDG-aligned companies also subject their health and sustainability commitments and approaches approved by their executives (e.g., Board of Directors) to annual standardized internal audit and management review to evaluate the effectiveness of risk management, control, governance, and management systems. This includes identifying actual or potential areas in their nutrition-related business performance that are at high risk of negatively impacting consumers, business partners, employees, and other relevant stakeholders.⁵⁰

6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their healthy and sustainable product portfolios commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts related to their product portfolios, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:

- **Commitment and business strategy for transitioning to and delivering a healthier and more sustainable product portfolio**, reaching general consumers and priority populations with healthy and sustainable products that are accessible and affordable, and not contributing to diet-related disease.
- **Approach and activities undertaken to improve the healthiness of their products**, including externally-validated nutrient and health-related classification systems that cover all relevant food aspects such as processing extent and purpose, energy and nutrient composition, portion sizes, and menus.
- **Approach to addressing malnutrition and public health needs**, including studies and external expert consultation on market needs in general and priority populations (e.g., micronutrient deficiency prevalence) and strategies to increase access and affordability of unprocessed and minimally processed products inherently high in vitamins and minerals and, where appropriate, fortified or healthfully formulated processed products.

- **Formal and periodic business strategic reviews on how nutrition, health, and sustainability trends were factors in decisions** related to, for example, research and development, acquisitions, sales, and formulations of joint ventures or other partnerships.
- **Formal accountability for and compensation arrangements** related to implementing the company's health and sustainability commitment.
- **Stakeholder engagement practices**, including specific examples of how input from affected stakeholders, civil society organizations, and health experts and academic institutions has changed business practices.⁵¹
- **National and international public policy positions** advanced (e.g., sugary drink taxes, food subsidies).

All communications are timely and accessible to their intended audiences; include sufficient information to evaluate the adequacy of impact assessments, remediation, and target performance; and do not pose risks to affected stakeholders, personnel, or commercial confidentiality.⁵² To ensure quality of reporting, SDG-aligned companies:

- Publish formal, regular reports on their overall approach to tackling nutrition issues at least annually and preferably throughout their Annual Report and Accounts or equivalent.
- Provide (a) a clear sense of their health and sustainability commitment and how it relates to their overall business strategy; (b) clear reporting on current performance against all objectives and targets; (c) a clear outlook on future plans and targets; (d) explanation of the challenges faced, not only successes; and (e) information on the health impact of their reached targets.
- Specify geographical scope of their nutrition reporting.
- Make specific reference to the markets and priority populations impacted by their nutrition-related initiatives.
- Ensure their nutrition reporting is subject to independent external verification and review.⁵³



ENDNOTES

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Clean, fresh gala apples on a conveyor belt in a fruit packaging warehouse in the United States.
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Food industry practices are currently not conducive to human and planetary health, putting major strains on both health and environmental systems. The promotion of healthy and sustainable dietary patterns is heavily predicated on the food products delivered, marketed, and made available to consumers by food companies. Food companies' practices directly shape the nutritional quality and environmental impacts of their products, and can be adjusted to align with the SDGs.

2

MARKETING
& LABELING

STANDARD

PILLAR 1
BENEFICIAL
PRODUCTS**Commitment**

Employ responsible, equitable, and honest marketing and labeling practices that allow consumers to easily make informed choices and do not exploit vulnerable populations.

Bottled milk.
© Valerii__Dex/
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The impact of marketing and labeling of food products is an increasingly concerning public health issue. Food companies are estimated to collectively spend over \$7 billion annually¹ to market their products, many of which are not healthy² and do not align with global dietary guidelines designed to preserve the health of people and planet.³ Unhealthy diets are linked to both environmental degradation and negative public health outcomes including cardiovascular disease, cancers, diabetes, stroke, and hypertension,⁴ all of which are leading causes of mortality and responsible for an estimated 11 million annual deaths globally.⁵ While consumer preference for more nutritious foods is on the rise,⁶ marketing and labeling practices are too often being used to mislead them about the healthfulness of products.

Although many countries have national regulations and legal ramifications to protect consumers from falsehoods and deception in food marketing and labeling,⁷ they are not stringent, comprehensive, or enforced to the degree that prevents misleading claims and practices from being employed. Deceptive or misleading marketing and labeling practices impede the achievement of the SDGs and undermine consumers' intentions to take better care for their health and advocate with their purchasing power for a more sustainable, equitable world.



Marketing and labeling practices in the food sector can also perpetuate social inequities, and exacerbate risks for vulnerable and disease-burdened populations.⁸ Food companies, for example, disproportionately target marketing to demographics that already experience a greater prevalence of obesity, overweight, diet-related chronic diseases, and food insecurity, which exacerbates health disparities.⁹ Children and teens are especially vulnerable because they are easily influenced by marketing messaging. Their cognitive capacities are not yet fully developed, which limits their ability to scrutinize advertising, comprehend its intent, understand the long-term impact of unhealthy diets, and exercise willpower when making dietary choices.¹⁰ Additionally, marketing of unhealthy food products to children and teens is reinforced across multiple channels and locations (e.g., school, television, the internet, mobile phone apps, social media, and the physical community they live in),¹¹ which can sabotage parental attempts to teach healthy eating patterns.

Unhealthy foods, such as those laden with added sugar, are often relatively inexpensive to produce so utilizing misleading or questionable marketing practices to sell these foods over more healthful ones can drive down a company's bottom line and maximize profits.¹² However, improved practices in this area is necessary to achieve the SDGs, and can mitigate reputational risks and build long-term loyalty, especially among younger generations for whom corporate transparency and accountability are top purchasing factors.¹³ SDG-alignment involves utilizing marketing and labeling practices that are responsible, equitable, honest, and aid consumers in making healthy and sustainable dietary choices.

BOX 1: KEY RESOURCES FOR FOOD MARKETING & LABELING

- The FAO Codex Alimentarius.¹⁴
- The WHO International Code of Marketing of Breastmilk Substitutes.¹⁵
- The ICC Framework for Responsible Food and Beverage Marketing Communications.¹⁶



SDG 2 – Zero hunger

Target 2.1: By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.



SDG 10 – Reduced Inequalities

Target 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.



SDG 3 – Good health and well-being

Target 3.4: By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.

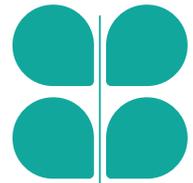


SDG 12 – Responsible consumption and production

Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Target 12.8: By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

SDG-ALIGNMENT: THIS STANDARD CONTRIBUTES TO ACHIEVING THE FOLLOWING SDGS:



BENEFICIAL PRODUCTS



STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior level of SDG-aligned companies adopt a policy aligned with their public commitment to respect the human rights of access to information, food, and health, including a commitment to employ responsible, equitable, and honest marketing and labeling practices with the intent to aid consumers in making informed choices and remove or change practices that are misleading or exploitative, especially of vulnerable populations.⁹ The policy:

- Encompasses all forms, channels, and strategies a company utilizes including, but not limited to broadcast, print, digital, and social media; point-of-sale marketing and packaging; PR activities; sponsorship; placement; and location- or community-based marketing (e.g., door-to-door marketing, billboards).¹⁷
- States that, where the national law of the territory where the company and its business relationships operate conflicts with international law, the company defers to the higher standard.¹⁸
- Aligns with and explicitly references the standards listed in Box 4.

BOX 4: INTERNATIONAL HUMAN RIGHTS STANDARDS ON THE RIGHTS TO ACCESS TO INFORMATION, FOOD, AND HEALTH

- Universal Declaration of Human rights, Articles 19 and 25.¹⁹
- International Covenant on Economic, Social and Cultural Rights, Articles 11 and 12.²⁰
- International Covenant on Civil and Political Rights, Article 19(2).
- International Convention on the Elimination of All Forms of Racial Discrimination, Article 5 (e)(iv).²¹
- Convention on the Elimination of All Forms of Discrimination against Women, Articles 11(1)(f), 12, and 14(2)(b).²²
- Convention on the Rights of the Child, Article 24.²³
- International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, Articles 28, 43(e), and 45(c).²⁴
- Convention on the Rights of Persons with Disabilities, Article 25.²⁵

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Communicate expectations for implementing the policy internally and externally to their workforce (especially those in marketing, advertising, PR, and product development departments), shareholders, subsidiaries' governing bodies, and business relationships (especially suppliers, external marketing agencies, advertising partners, retail and foodservice partners, and affiliates including digital media influencers).
- Integrate the policy into contracts and other agreements relating to marketing, advertising, and labeling. In the case of pre-existing relationships, such agreements are updated with statements that require signatories to adhere to marketing and labeling practices that align with the standard.
- Use their leverage at all points along the value chain to enforce marketing and labeling practices that align with the standard.²⁶

a. Here, "vulnerable populations" refers to children and teens below the age of 18 and any demographic groups which may be both disproportionately targeted by food marketers and suffer greater burdens of obesity and diet-related chronic diseases.

- Integrate the policy into marketing, PR, advertising, and packaging policies.
- Embed the policy into the product development process to ensure products and their packaging are developed or reformulated in alignment with the standard.
- Integrate the policy into its by-laws and other governance documents (i.e., Code of Conduct, Code of Ethics), and management procedures.²⁷
- Ensure their business practices and the incentives they create do not contradict the policy in form or substance.

2. ASSESS ACTUAL & POTENTIAL IMPACTS

SDG-aligned companies identify and assess actual and potential impacts their marketing or labeling activities caused, contributed to, or are linked to, including health impacts of misleading, exploitative, or inequitable marketing or labeling. In order to systematically assess actual and potential impacts on an ongoing basis, SDG-aligned companies:

- **Evaluate how their marketing, advertising, PR, packaging, and labeling practices may mislead consumers**, distract public attention from either the true nature or origin of their products or their environmental impacts or exploit vulnerable populations. This involves engaging with potentially affected stakeholders, particularly members of target and at-risk populations. Companies assess how decisions to maximize profits or realize financial gains may be at odds with their commitment to market and label their products responsibly, equitably, and honestly and help consumers make informed choices.
- **Employ qualified and credible experts and conduct appropriate, ethically designed market research** (e.g., focus groups, consumer surveys, etc.) to aid in the determination of which practices may violate the standard.
- **Conduct initial, regular, and ongoing comprehensive assessments of marketing and labeling practices.** In particular, the companies assess whether marketing and labeling practices:
 - **Align with responsible marketing principles:**²⁸
 - **Legal:** Labeling and marketing comply with all national legislation including that regarding nutrition, health, and structure/function claims.^b
 - **Honest:** Labeling and marketing accurately portray the tangible qualities of products as well as their intangible attributes and benefits (e.g., nutrition or health benefits). They do not in any way mislead consumers or exploit their trust, ignorance, or lack of experience. When evaluating the honesty of marketing and labeling practices, differing levels of education on nutrition, environmental concerns, and social issues among different markets and audiences are considered.

- **Substantiated:** Where applicable, claims made in labeling or marketing are supportable with relevant peer-reviewed and sound scientific evidence, third-party certifications, or other respectable proof of their truthfulness. Appropriate substantiation statements and references to sources of additional information (e.g., website designed to facilitate transparent disclosure and consumer understanding) are provided and easily accessible (i.e., easily locatable and printed in reasonable font size) to consumers. Additionally, claims are reported in the context of and consistent with the entire body of scientific evidence rather than a biased selection. Lastly, claims accurately convey the meaning of scientific terminology, and convey any statistics or substantiating information in a way that does not exaggerate or misrepresent the claim.²⁹

- **Align with healthy dietary, physical activity, and lifestyle patterns** and do not promote consumption above recommended dietary guidelines, display excess portion sizes, suggest substitution for other healthy lifestyle choices (e.g., low-calorie food products in place of exercise), or otherwise subvert the importance of healthy lifestyles.³⁰
- **May mislead the average consumer^c** with regard to nutrition, health benefits, origin, processing, environmental impacts, or social impacts of their products, operations, or value chains. Specific examples can be found under Step 3 of this Standard.
- **Promote the inappropriate use of products** with particularly large health consequences, in particular:
 - **Promotion of infant formula in place of or as superior to breastfeeding** where there is no compelling medical or situational reason to do so, and/or not in compliance with the World Health Organization's *International Code of Marketing of Breast-milk Substitutes*.³¹

b. Structure/function claims are those that reference how nutrients in a product affect the structure or function of the body but do not reference disease states or their prevention. (e.g., "Calcium builds strong bones."). (Source: FDA, "A Food Labeling Guide: Guidance for Industry" (Center for Food Safety and Applied Nutrition, n.d.), <https://www.fda.gov/media/81606/download>.)

c. The average consumer in the United States is estimated to read at grade level 7, but even those with higher educational attainment and literacy struggle to understand nutrition information conveyed on food packaging. (Sources: Tiffany M. Walsh and Teresa A. Volsko, "Readability Assessment of Internet-Based Consumer Health Information," *Respiratory Care* 53, no. 10 (October 2008): 1310–15; Russell L. Rothman et al., "Patient Understanding of Food Labels: The Role of Literacy and Numeracy," *American Journal of Preventive Medicine* 31, no. 5 (November 2006): 391–98, <https://doi.org/10.1016/j.amepre.2006.07.025>.)



- **Promotion of excessive, irresponsible, at-risk, or underage consumption of alcohol** (e.g., placement of alcohol products in television programs where the target audience includes a significant underage segment); misleading consumers with respect to the physical, psychological, or social effects or the safety of alcohol; or portraying moderation or abstinence from alcohol in a negative light.³²
- **Exploit the vulnerability of children and teens** by utilizing particularly influential strategies such as fantasy, adventure, fun, social pressure, licensed characters, celebrities, or sports heroes,³³ especially through methods and channels that exclude parental mediation or exceed their cognitive capacities to make healthful decisions.³⁴
- **Exacerbate health inequities** by disproportionately targeting messages and strategies, especially those promoting unhealthy products, at demographic groups that already unduly bear the physical, social, emotional, and financial burdens of obesity and diet-related diseases,³⁵ or that disproportionately experience food insecurity, or a lack of access to healthful foods.³⁶
- **Exacerbate social inequities** by perpetuating negative stereotypes via marketing, advertising, and PR messaging that is discriminatory based on race, ethnicity, gender identity, age, family or marital status, sexual orientation, religion, or any other categorization fundamental to a group or individual's identity.
- **Conduct appropriate, ethical, and sufficient market research** anytime new products, packaging, or marketing campaigns are developed. This assessment step is in addition to regular marketing and labeling assessments and is a proactive step to ensure continued alignment with the standard. The objectives are to:
 - **Adequately test consumer perceptions of proposed wording and imagery** among a new product's target demographics to prevent the perpetuation of misleading and inequitable marketing practices.
 - **Determine whether marketing and labeling efforts will convey true, understandable, and honest representations** of the new products, their contents, their origin and processing, and their nutritional and health values and will help consumers make informed choices according to their personal values.

3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their comprehensive assessment of marketing and labeling practices outlined in **Step 2** into business decisions, processes, and functions by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific, time-bound intermediate and long-term targets to establish responsible, equitable, and honest marketing and labeling practices and to contribute significantly to the achievement of the SDGs, especially SDGs 2, 3, and 10. The intermediate targets are relevant for the companies to monitor their and their business relationships' continuous improvement towards meeting the standard. Where possible, indicators measure outcomes rather than outputs or activities. These targets are tailored to the business activities of the companies and are based on their assessments of actual and potential impacts of their marketing and labeling practices. The following are some examples of performance indicators to track progress over time:

- By 2023, 75% of marketing to vulnerable groups promotes products that meet nutritional guidelines.
- By 2023, 100% of marketing to children and teens meets the standard.
- By 2025, 100% of packages and labels are updated to meet the standard.
- By 2030, 80% of annual marketing expenditures is spent on marketing messages consistent with the standard.

3.2. TAKE ACTION

Where an SDG-aligned company identifies instances of actual or potential marketing and labeling practices that are irresponsible, misleading, or inequitable it takes appropriate and swift action to cease them to align with the standard. Depending upon assessment findings, measures to align practices with the standard could include:

- **Remove health and nutrition claims that do not meet the FAO Codex Alimentarius³⁷** or national regulations from packaging. Where national laws do not exist, are not as stringent as, or conflict with the Codex Alimentarius, the company defers to the higher standard.

- **Remove misleading wording and images from packaging, including those that:**
 - **Conceal or distract from the true content, nutritional value, or processing of the product** or deliberately exploit consumers' desires for healthy and less processed foods. Examples of such misleading^d practices include:
 - **Exaggerating the minor presence of healthful ingredients** (e.g., labeling bread containing minor amounts of whole grains, but made primarily from refined flour as “multigrain” or naming the product “Grain & Seed Bread”).³⁸
 - **Distorting the importance of minor or irrelevant nutritional properties** when the product does not meet core nutritional standards for the category, or in an effort to distract consumers from less healthful aspects of the product (e.g., Front-of-Pack (FOP) labeling of cereal that does not meet sugar and fiber nutritional standards with “Good source of Vitamin D” and “12 Vitamins & Minerals”).³⁹
 - **Advertising food safety or processing practices and creating the illusion of superiority** when such practices are required by law (e.g., FOP labeling of chicken products with “no added hormones” when national regulatory agencies prohibit the addition of hormones to all chicken products).
 - **Creating the illusion of exclusivity of an inherent value of a food product** (e.g., FOP labeling peanut butter with “cholesterol free” when peanuts naturally do not contain cholesterol). In particular, the company does not use any claims or terminology related to the absence of gluten when a product is not third-party verified (i.e., “Certified Gluten-free”). This is especially important given the rising demand for such products, widespread misinformation about their healthfulness,⁴⁰ and the severe complications that can affect those with Celiac's disease from the consumption of trace amounts of gluten.⁴¹
 - **Touting the absence of ingredients with similar, negative nutritional qualities as included ingredients** (e.g., labeling foods with “no high-fructose corn syrup” when the product contains substantial amounts of other added sugars).
 - **Highlighting self-evident qualities**, especially of minor ingredients, in a manner that suggests products are less processed or otherwise more healthful than in actuality (e.g., “Made with real honey,” “Made with real fruit juice”).
 - **Utilizing incomplete comparisons** or claims (e.g., “25% less fat” without a comparator).⁴²
- **Mislead consumers** with respect to the origin, animal welfare, environmental, or social impacts of products. Examples of these practices include:
 - **Executorial “greenwashing”**⁴³ by displaying the term “green” or images or symbols evocative of nature (e.g., trees, leaves, fields) that might create false perceptions regarding the environmental impact of a company or its products. In particular, SDG-aligned companies do not label or market products that are the most environmentally taxing according to planetary health guidelines (e.g., red meats, dairy products, almonds) as “green choices” or environmentally friendly unless they substantiate the claim with a disclosure about the specific sustainable production practices that are in place that render a product sustainable relative to the others in their category (e.g., managed grazing, integrated crop-livestock systems, advanced irrigation methods).
 - **Misrepresenting the methods used to raise animals** in animal-based agriculture through images and/or wording (e.g., labeling eggs as “naturally-raised” and/or depicting images of hens on pasture on packaging despite the eggs coming from caged hens⁴⁴).
 - **“Fairwashing”** by misrepresenting social practices and creating false perceptions regarding the treatment of workers and communities in operations and value chains (e.g., labeling a product as “fair wage” when the company does not verify that workers and producers beyond the first tier of its supply chain are compensated with fair wages).⁴⁵
 - **“Originwashing”** by falsifying a product's origin information on packaging or marketing materials.⁴⁶ SDG-aligned companies ensure that any traceability and related sourcing claims (e.g., “responsibly sourced”) utilized are honest and, in the case of the latter, accompanied by understandable explanations that can be easily located.

d. Here, “misleading” is considered in the context of the average consumer and the prominence of packaging statements. Even when substantiated in minor ways (e.g., placing fine print for potentially confusing or misleading claims in a different location on the packaging), these practices may still be considered exploitative of consumers with limited ability to navigate the overwhelming environment of modern food retail stores and the myriad of products they contain within time, attention, and mental energy parameters.



- **Borrowing legitimacy from established and recognized initiatives or certifications** by utilizing misleading or suggestive wording when the product does not meet such standards (e.g., labeling eggs with “Humanely Raised” in lettering that is reminiscent of the “Certified Humane” certification or the poultry industry-created label “One Health Certified” which is not aligned or associated with the WHO “One Health” initiative⁴⁷).
- **Mislead consumers** by promoting or not correcting extrapolation of the environmental benefits of products to health benefits (or vice versa) by, for example, combining two or more of the aforementioned misleading practices.^e
- **Remove or substantiate unregulated or underregulated terminology that consumers may associate with health and environmental benefits of products.** If such terminology is used in labeling or in marketing, they are substantiated by easily located, accompanying statements that qualify their meaning, and provide explicit details about how the product meets or exceeds nutritional standards or the ways in which it is environmentally beneficial or protects animal welfare. Examples of such terminology include:
 - “Natural” or “All Natural.”⁴⁹
 - “Healthy” or derivative words (e.g., “Healthful,” “Healthier,” “Wholesome”).⁵⁰
 - “Eco-friendly,” “Green,” and “Sustainable.”⁵¹
- **Provide honest, clear, and understandable information** to help consumers make informed choices with regard to the nutrition, social impact, and environmental sustainability of products. This can be accomplished by:
 - **Using “Better-for-you” symbols** that clearly and easily indicate to consumers that products meet specific dietary guidelines, especially with regard to limiting added sugars, saturated fat, trans fat, and sodium, and/or containing nutrient-dense foods such as whole grains, fruits, and vegetables, and/or healthy proteins (i.e., seafood, legumes, nuts, seeds). These symbols are implemented in conjunction with multi-stakeholder, established national initiatives, or developed as an internal marketing tool. In all cases, the nutrition standards the symbols signify are based on well-developed, substantiated, peer-reviewed scientific literature, and align with national dietary guidelines.
 - **“Better-for-you” symbols can be implemented for products that have been reformulated to meet nutritional guidelines but only in ethical and transparent ways.** SDG-aligned companies avoid utilizing “better-for-you” symbols on reformulations that do not improve product healthfulness (e.g., utilizing “low sugar” symbols after substituting sugar with artificial sweeteners).
- **“Better-for-you” symbols are developed or utilized when nutrient-based** (e.g., utilizing red, yellow, and green colors to indicate whether a product meets nutrient categories such as saturated fat, fiber, sugar, etc.) and not for summary indicators (i.e., a pooled index that provides one numerical or letter “grade” to the product).
- **“Better-for-you” symbols are not used to highlight specific nutrients, ingredients or products** without providing transparent and clear information regarding the negative nutritional aspects of the others.⁵² Instead, these symbols are used to convey aspects of healthfulness and unhealthfulness across all products in a company’s portfolio.
- **Implementing “better-for-the-planet/environment” symbols** for products that meet planetary health guidelines and are produced in a manner that meets all of the environmental standards included in this document with symbols that clearly and easily signify to consumers that the products meet these standards. These can be developed in conjunction with third-party experts or authoritative organizations and are substantiated with easily located, accessible information on how environmental standards are met.
- **Providing context for how food products fit into a healthy dietary pattern** by including statements on packaging or in marketing materials that distinguish “everyday” from “occasional” foods if products exceed nutritional standards (e.g., exceed added sugar or sodium contents) or provide a reference for how the food fits into dietary guidelines (e.g., category of MyPlate).
- **Providing accessible nutrition information online**⁵³ for all products to aid consumers in making informed choices prior to purchase and outside of the retail environment.

e. Research has shown, for example, that consumers conflate marketed environmental benefits with increased healthfulness and nutrition of food products. (Sources: Thomas J. L. van Rompay, Florian Deterink, and Anna Fenko, “Healthy Package, Healthy Product? Effects of Packaging Design as a Function of Purchase Setting,” *Food Quality and Preference* 53 (October 1, 2016): 84–89, <https://doi.org/10.1016/j.foodqual.2016.06.001>.)

- **Alter marketing practices to protect vulnerable populations.** This can be accomplished by:
 - **Refraining from marketing foods that do not meet strict, category-specific/food-based nutritional guidelines** for calories, saturated fat, sodium, whole grains, fruit and vegetable content, and micronutrients^f or foods that qualify as processed and ultra-processed by established international standards^g to children and teens^h through all channelsⁱ and strategies⁵⁴ including, but not limited to: television, radio, and print; company websites^j and internet advertisements on third party websites; mobile phone apps or games, text messaging/SMS messaging, and push notifications, including location-based notifications; social media platforms and influencer marketing; product placement in television shows, movies, video games, or computer games; use of licensed characters (e.g., cartoon characters from animated films and television programs), fantasy, celebrities, or sports stars to promote such products; use of toys or other incentives for purchase or consumption; placements of company branding (i.e., logos, slogans) on children's merchandise including clothing, books, toys, dishware, etc.; child-care or school-based marketing including banners, branded school supplies, free samples, bus advertisements, sports team sponsorships, etc.
 - **Refraining from marketing that exploits children and teens** or parent-child relationships through suggestive tactics, such as:
 - **Portraying parents or other caregivers in a negative light** for not allowing purchase or consumption of low-nutrition foods or promoting rebellious behavior in order to secure their purchase.
 - **Suggesting that purchase or consumption of a product conveys greater social acceptance**, or physical or psychological benefits, or, conversely, that abstaining from products will diminish the same attributes.
 - **Engaging in responsible marketing of healthy products^j** in the context of healthy lifestyle choices, such as:
 - **Promoting healthy lifestyle habits and dietary patterns in marketing materials of products that meet nutritional standards** (e.g., the portrayal of characters on packaging engaging in physical activity; portrayal of professional athletes consuming water or low-sugar beverages to quench their thirst).
 - **Portrayal of parents or caregivers with children in a positive light**, and consuming products that meet nutritional guidelines together.
 - **Portrayal of foods in age-appropriate portion sizes** and in the context of balanced meals consistent with national dietary guidelines.
 - **Altering marketing practices to promote equity, diversity, and inclusion.** This can be accomplished by:
 - **Ensuring that marketing of products is equitable across demographic groups**, and does not disproportionately market products that do not meet nutritional guidelines to ethnic minorities, low-income populations, developing nations, and other demographic groups where health disparities exist with regard to obesity, overweight, diet-related chronic disease, undernutrition, and food insecurity.
 - **Acknowledging a shared responsibility for public health ramifications** of the consumption of relevant products⁵⁶ and working to correct health disparities by creating and disseminating marketing messages that promote healthful products and depict dietary choices consistent with national guidelines.
 - **Refraining from practices that exploit economic or social disadvantages** of vulnerable population groups, especially those that already suffer from a lack of access to adequate, safe, and nutritious food.⁵⁷ These practices include aggressive and/or misleading sales and marketing of unhealthy products as convenient and nutritious options in their communities.
- f. When determining if a product meets nutritional standards, SDG-aligned companies reference the two following two sets of standards and utilize the more stringent of the two for a comparable serving size: WHO, "WHO Regional Office for Europe Nutrient Profile Model," 2015, https://www.euro.who.int/__data/assets/pdf_file/0005/270716/Nutrient-children_web-new.pdf; BBB National Programs, "CFBAI Category-Specific Uniform Nutrition Criteria, 2nd Ed.," January 1, 2020, https://bbbnp-bbbp-stf-use1-01.s3.amazonaws.com/docs/default-source/cfbaifcfbai-revised_criteria_chart_1-28-2019.pdf?sfvrsn=c31ce512_2.
- g. Full details for determining foods that are processed or ultra-processed can be found in: PAHO, "Pan American Health Organization Nutrient Profile Model," 2016, https://iris.paho.org/bitstream/handle/10665.2/18621/9789275118733_eng.pdf?sequence=9&isAllowed=y.
- h. A marketing channel is encompassed here when children under the age of 18 constitute 25% or more of the audience. (Source: Access to Nutrition Initiative, "Global Access to Nutrition Index 2021 Methodology.")
- i. SDG-aligned companies embrace strategies and tools to limit children's access to marketing of unhealthful foods such as designing websites and digital media presences to be adult-oriented and not attractive to kids and teens (e.g., avoiding the use of characters or vibrant and cartoon-like animations) and pop-ups that ask for year of birth or parental consent before entrance. (Source: Access to Nutrition Initiative, "Global Access to Nutrition Index 2021 Methodology.")
- j. Products marketed in these ways must still meet nutritional standards in order for a company's marketing to meet the standard. SDG-aligned companies avoid justifying the marketing of unhealthful foods to target audiences, especially children, under the guise that unhealthful foods can be consumed as "part of a healthy lifestyle," "part of a balanced diet," or offset with physical activity. Indeed, depicting unhealthful foods as part of a healthy lifestyle or represented by physically-fit individuals (e.g., athletes drinking sugar-sweetened beverages) creates mixed messages and, among children and teens unable to cognitively evaluate these messages, may promote the idea that consumption of such foods may actually lead to greater health and social status. As previously mentioned, the companies also avoid deceitful reformulation of products (e.g., substituting artificial sweeteners for sugars) in an attempt to "meet" nutritional standards and continue marketing unhealthful foods to children.



- **Contributing to improving access to adequate nutrition** through the development and marketing of products tailored to local or regional needs, including fortified and shelf-stable foods that can mitigate micronutrient deficiencies and reduce nutrition inequities (e.g., iron-fortified, high protein porridge flakes marketed in Sub-Saharan Africa⁵⁸,⁵⁹
- **Actively challenging stereotypes and promoting inclusivity** by representing diversity of race, national origin, ethnicity, sexual orientation, marital status, gender expression, family structure, and other identities in marketing campaigns and materials.⁶⁰ In particular, SDG-aligned companies tailor imagery and messaging to portray diversity when targeting international markets rather than assuming those of its home market will suffice.
- **Altering in-store and point-of-sale marketing practices**, in conjunction with retail management and other actors, including:
 - Reserving end-cap and eye-level shelf placements for products that meet nutritional, environmental, and social standards while placing those that do not on higher shelf-space. In particular, SDG-aligned companies remove products targeted at children that do not meet nutritional standards and the responsible marketing principles in this standard from low and middle shelf placements to promote parental agency and intervention in decisions.⁶¹
 - **Dedicating store promotions, sales, and special displays to products that meet nutritional, environmental, and social standards** rather than those that do not.
- **Monitor affiliate advertising, PR messaging, and unpaid promotion**, as well as public discourse and sentiment pertaining to products and activities, especially on social media and online platforms and through functions such as tagging and hashtags.
- **Where misinformation or inaccurate representation of their products or their benefits is identified, attempts are made to correct this** through appropriate measures that avoid infringing on the rights to free speech and expression. Such measures include making substantiated rebuttals to false or misleading statements regarding its products without bribing or coercing creators to alter them against their will.⁶²
- **Where a company has maintained a business relationship that has resulted in misrepresentation or false promotion** of products and their benefits, the company engages with the relationship to correct such practices. If repeated or not corrected in an appropriate time frame, the relationship is terminated.
- **Using leverage and constructively engaging with governments, civil society, and peer companies, including through multi-stakeholder initiatives**, to help protect consumers across the food manufacturing industry and broader ecosystem. This includes:
 - **Advocacy for policy changes** that: promote responsible, equitable, and honest practices; prohibit misleading wording and images in marketing and labeling; and prohibit unethical marketing practices that exploit children, teens, and other vulnerable populations (e.g., legislation that prohibits the marketing of unhealthy products in schools).
 - **Refraining from practices** to influence policymaking (e.g., lobbying, manipulation of science, financial incentives that sway policymakers) that undermine public health measures and/or interfere with policy changes that restrict misleading or exploitative marketing and labeling practices, or prohibit corporations from attempting to shift responsibility for the health consequences of products onto consumers.⁶³
 - **Funding or promoting age-appropriate educational initiatives (i.e., media literacy programs) and social marketing campaigns** that help consumers scrutinize food marketing and make healthy food choices, or that support parents to mitigate the influence of persuasive marketing of unhealthy foods on their children and reinforce healthy eating patterns. Such programs acknowledge that public health and nutrition are a shared responsibility⁶⁴ and do not shift responsibility solely onto consumers. The programs are developed in conjunction with third-party experts and aligned with national or international dietary guidelines. Outcomes of the programs are third-party verified and evaluated, and product placement or branding are excluded from program materials and delivery.⁶⁵
 - **Participating in the development and standardization of FOP symbols** that communicate to consumers that products meet established nutrition, environmental, and social standards (e.g., UK traffic light symbol) and related efforts that encourage industry peers to innovate and create healthier products to obtain the right to use such symbols.⁶⁶

4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

SDG-aligned companies establish effective grievance mechanisms that are accessible to stakeholders to report irresponsible, misleading, or inequitable marketing and labeling practices. The grievance mechanisms evaluate violations of the standard and determine the appropriate remedy for impacts on consumers and communities.

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies commit to respectful, equitable, and transparent cooperation with judicial grievance and remediation processes, where relevant. The company refrains from using legal waivers that preclude access to judicial recourse for victims. Where State-based mechanisms order sanctions or remedy, the company complies and uses leverage to ensure its business relationships comply.

4.3. PROVIDE OR ENABLE REMEDY

When companies identify that they have, even inadvertently, contributed to harm by marketing and labeling products in irresponsible, misleading, or inequitable ways or have, through deliberate omission or inaction, allowed the false or misleading promotion of their products to occur (e.g., through social media trends or third parties with no company counter statements), they acknowledge their part in the harm done and provide for or cooperate in remediation through legitimate processes.

Any measures to provide, contribute to, or enable remedy are designed in partnership with those impacted and through expert consultation. Remedies for harm done may include issuing public statements to correct false claims or inaccurate portrayals; funding of health promotion, social, or environmental programs (e.g., pediatric nutritional education program, diabetes lifestyle prevention program) for communities impacted; and compensating individuals harmed by marketing or labeling practices that do not meet the standard (e.g., compensation for medical costs incurred by an individual with Celiac disease who consumed a product labeled “gluten-free” which was not gluten-free).

5. TRACK PERFORMANCE

SDG-aligned companies track the implementation of measures to meet the standard within their target dates through qualitative and/or quantitative outcome-based performance indicators on an ongoing basis and in partnership with affected stakeholders, qualified independent professionals, retailers, external marketing agencies, affiliates, and other relevant actors in their value chain. The following are some examples of performance indicators to track implementation of measures to market and label responsibly, equitably, and honestly:

- Ratio of marketing expenditures spent on marketing products that meet nutritional standards to products that do not.
- Percentage of marketing expenditures related to marketing messages consistent with the standard (e.g., consistent with healthy lifestyle choices, nutritional and planetary dietary guidelines, accurate portrayal of environmental and social impact of different food categories).
- Percentage of packages updated with labeling, including wording and images, that aligns with the standard with respect to nutrition, environmental, and social impacts.
- Percentage of surveyed consumers who accurately understand products’ nutrition, environmental, or social impacts.
- Number of changes made to the company’s marketing or labeling practices based on focus group findings and international standards on responsible Food and Beverage marketing communications.
- Percentage of total marketing to children that meets the standard.
- Percentage of marketing directed at ethnic minorities, low-income populations, and other vulnerable demographic groups.
 - Percentage of marketing aimed at these groups that promotes products that meet nutritional standards.
- Percentage of surveyed consumers who rate marketing as inclusive, diverse, or challenging of stereotypes.
- Number of reported incidents of misleading, irresponsible, or inequitable marketing or PR management.
 - Changes to marketing and PR management practices based on these reports.



6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their marketing and labeling commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential related to their marketing and labeling practices, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:

- **Findings of the marketing and labeling assessment**, including specific marketing and labeling messages and strategies that were found to be irresponsible, unethical, or misleading. Companies also disclose how they arrived at the results of this assessment, including any expert involvement and the results of any research conducted to understand consumer perceptions of products through marketing and labeling efforts.
- **Measures undertaken during the reporting period to transition their marketing and labeling practices.** This includes information on changes in marketing strategies, target audiences, and messaging as well as alterations to label images, wording, and design.
- **Measures undertaken during the reporting period to protect children, teens, and vulnerable populations** from exploitation in their marketing efforts. If marketing to these segments, SDG-aligned companies disclose the specific marketing activities and expenditures related to these segments during the reporting period.
- **Any measures that were undertaken in partnership with industry partners, civil society organizations, multi-stakeholder groups, governments, and other stakeholders** to address irresponsible, inequitable, and misleading marketing and labeling or to standardize labeling of nutrition, environmental, or social benefits in the food sector (e.g., policy change advocacy).
- **Progress on relevant performance indicators, even when progress is not as good as expected and the targets set are not met.** When companies fail to meet their own targets, they disclose key learnings and delineate how they are modifying their strategy and efforts to still achieve intermediate and long-term targets to align their practices with the SDGs and market and label their products responsibly and honestly with regards to nutrition, environmental, and social dimensions.
- **Any instances where irresponsible, inequitable, or misleading marketing or labeling was identified**, specifying how the instance was identified, what elements of the standards were violated, and steps that were taken to both remedy the situation and prevent further such instances from occurring, including changes to its marketing and labeling policies and practices.

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3

FOOD
SECURITY

STANDARD

PILLAR 1
BENEFICIAL
PRODUCTS**Commitment**

Facilitate access to affordable, safe, and nutritious foods. Prevent and eliminate threats to food security across the company's value chain and ecosystems.

A bakery selling freshly baked organic sourdough bread. © Daisy Daisy/Shutterstock

Worldwide hunger is on the rise. Even before the Covid-19 pandemic, in 2019, the FAO estimated “almost 690 million people, or 8.9 percent of the global population were undernourished.”¹ Early FAO estimates suggested the pandemic increased the undernourished population by up to 132 million people in 2020², reaching hunger levels “unseen for more than half a century.”³ Food insecurity, defined as a “lack of regular access to enough safe and nutritious food for normal growth and development and an active and healthy life,” strongly determines an individual or household’s likelihood of experiencing hunger.⁴ Food security itself is determined by the physical availability of food (e.g., food production, trade) as well as by its accessibility, affordability, and utilization (e.g., processing, dietary diversity).⁵

Malnutrition resulting from food insecurity increases the risk of severe maternal and child health consequences, including essential micronutrient deficiencies, low birth weight, childhood stunting, and wasting, as well as maternal, perinatal, and infant mortality.⁶ For individuals/populations experiencing food insecurity, once food becomes available, it tends to be in the form of low-priced ultra-processed foods that are high in calories, saturated fat, added sugars, and sodium. In contrast, healthy and nutritious foods like fresh fruits and vegetables remain inaccessible. These trends in food type and availability contribute to low diet quality, weight gain, and increased chronic disease risk later in life.⁷ In many settings around the world, but particularly in impoverished communities, undernutrition and obesity coexist as a double burden of malnutrition, often as a result of experiencing moderate or severe food insecurity.



Food companies have either direct control or influence over the determinants of food security and their stability over time. Consumer price, food environment, and marketing strategies developed by companies can inappropriately increase consumer access to convenient, highly processed foods while limiting access to more nutritious options. Simultaneously, production, trade, subsidy, and policy decisions can drive up the cost of fresh fruits and vegetables and exacerbate the problem. Food companies thus have a responsibility and significant opportunities to reduce food insecurity and mitigate related health risks globally. Companies choosing to align their practices with the SDGs commit to improving the affordability and accessibility of safe, healthy, and nutritious foods across their value chains, especially by influencing production practices, in sales and distribution, and at points of sale. They also identify business strategies with actual or potential contributions to food insecurity and take steps to eliminate and remediate previous harms at an individual or population level.

To inform their food security approaches, SDG-aligned food companies consider factors that increase the risk of food insecurity and hunger. Multiple layers of marginalization can heighten the likelihood of experiencing food insecurity and its health consequences, including individual health status and life stages (e.g., infancy, childhood, pregnancy or childbearing age, late adulthood, and disability), individual and household socioeconomic factors (e.g., wealth, income level and reliability, and educational attainment), and geographic factors at the community or global level (e.g., food environments, distance from food vendors and distribution centers⁸, transportation infrastructure, and risk of natural disasters).⁹ Moreover, many of these factors are inextricably linked to determining food access. Socioeconomic factors, for example, influence not only what foods individuals or households can afford but can also determine where they live (e.g., poor food environments). Marginalization also includes experiences of legal and social exclusion, particularly exclusion from government food aid programs in many contexts (i.e., undocumented people, people with criminalized sexual orientations and gender identities, refugees)⁹ as well as dangerous working conditions, low pay, and unfair treatment (e.g., exploitative agricultural labor). Priority populations are those that experience any or several of these factors and should be identified within a company's markets to inform remediation, target setting, and performance aligning with this standard.

At a larger scale, food companies also have a responsibility to prevent risks to food security and food sovereignty at the community, regional, and global levels.^b This includes identifying and eliminating exploitative food production practices in their business strategy and value chains, which exacerbate marginalization and increase food insecurity in local communities through, for example, unsustainable land use (e.g., deforestation for non-native crop production), climate change contributions (e.g., greenhouse gas emissions), displacement of subsistence food production, and export-oriented agriculture. To support more sustainable, reliable, and self-determined food supplies, SDG-aligned food companies also play a proactive role in making major investments in local food supply chains including adequate food storage, cold chain, and other preservation capacities, and transportation infrastructure. Particularly, investments should be targeted to reach consumers in low-income countries and other resource-limited areas.^c

Finally, in their broader ecosystems, SDG-aligned food companies adopt discretionary activities to support community-led civil society efforts targeted to address food insecurity in their markets, as well as to improve the healthfulness, affordability, and accessibility of food environments. SDG-aligned companies also use their leverage with national or international governing bodies to enact equitable trade policies, fruit and vegetable production incentives, and legislative strategies to minimize food loss and waste.

- a. During the Covid-19 pandemic, food insecurity in remote indigenous communities in Canada has increased. (Source: "My Fear Is Losing Everything": The Climate Crisis and First Nations' Right to Food in Canada" (Human Rights Watch, October 21, 2020), <https://www.hrw.org/report/2020/10/21/my-fear-losing-everything/climate-crisis-and-first-nations-right-food-canada>.)
- b. Food sovereignty is a people or countries' "right to define their agricultural and food policy" and includes "prioritizing local agricultural production in order to feed the people;" ensuring "access to peasants and landless people to land, water, seeds, and credit;" and protecting "the right of farmers and peasants to produce food," "the right of consumers to be able to decide what they consume and how and by whom it is produced," and "the right of countries to protect themselves from too low priced agricultural and food imports." (Source: La Via Campesina, "Food Sovereignty," 2003, <https://viacampesina.org/en/food-sovereignty/>.)
- c. As addressed in depth in standards relevant to Pillars 2 & 3, food processing companies are also responsible for eliminating practices that lead to environmental degradation (e.g., climate change) and play a role in bolstering, or using their leverage to bolster, the ability for subsistence and other smallholders food producers to increase agricultural productivity, crop diversity, and non-farm income sustainably and resiliently—particularly where partnerships with industrial agriculture and other extractive procurement strategies directly compete with small farmers' living wages and rights to land and other natural resources (see *Agrochemicals & Sustainable Agriculture, Living Incomes & Wages, and Resource Rights standards*).



3

FOOD SECURITY



SDG 2 – Zero hunger

Target 2.1: By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious, and sufficient food all year round.

Target 2.2: By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons.

Target 2.3: By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, Indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.

Target 2.4: By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding, and other disasters and that progressively improve land and soil quality.



SDG 3 – Good health and well-being

Target 3.1: By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births.

Target 3.2: By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births.

Target 3.4: By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.

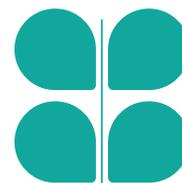


SDG 12 – Responsible consumption and production

Target 12.3: By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.

Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

SDG-ALIGNMENT: THIS STANDARD CONTRIBUTES TO ACHIEVING THE FOLLOWING SDGS:



PILLAR

1

BENEFICIAL PRODUCTS



STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior level of SDG-aligned companies adopt a policy to align business practices, supplemented by discretionary philanthropic activities,¹⁰ with a public commitment to:

- Respect, including by enabling the fulfillment of, the right to food as a fundamental right of every human being that calls for food to be available, accessible, and adequate, meaning that it should satisfy all nutritional and dietary needs across the lifespan and in varying socioeconomic, health, geographic, and other contextual conditions.¹¹
- Prevent, mitigate, and remediate all forms of food insecurity and resulting health risks (e.g., undernutrition, micronutrient deficiencies, and obesity and diet-related chronic diseases) the business is involved with, through its operations and value chain.
- Engage with business partners across their value chain to preserve and augment food security in their broader ecosystems, with a focus on priority populations.^d

The policy is informed by relevant internal and external expertise and includes explicit language to aid implementation, evaluation, and accountability, including target setting, performance tracking, impact assessments, and grievance mechanisms.¹² Importantly, it aligns with and explicitly references the standards listed in Box 5.

d. Priority populations “intends to capture the multiple layers of marginalization that may shape peoples’ lives, which, in turn, can result in them experiencing (or heightening their risk of experiencing) malnutrition at higher rates than the general population.” These include: (1) life stages such as infancy, childhood, pregnancy and people of childbearing age, and the elderly; (2) socioeconomic factors that impact the affordability and accessibility of healthy food products, including wealth, income level and reliability, and education; (3) legal factors that exclude individuals from government food aid and other social programs based on race, immigration status, sexual orientation, or gender identity; (4) geographic factors such as distance from food vendors and distribution centers, infrastructure, and risk of natural disaster. (Source: Access to Nutrition Initiative, “Global Access to Nutrition Index 2021 Methodology.”)

BOX 5: INTERNATIONAL HUMAN RIGHTS STANDARDS ON THE RIGHTS TO FOOD AND HEALTH

- Universal Declaration of Human rights, Article 25.
- International Covenant on Economic, Social and Cultural Rights, Articles 11 and 12.
- International Convention on the Elimination of All Forms of Racial Discrimination, Article 5 (e)(iv).
- Convention on the Elimination of All Forms of Discrimination against Women, Articles 11(1)(f), 12, and 14(2)(b).
- Convention on the Rights of the Child, Article 24.
- International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, Articles 28, 43(e), and 45(c).
- Convention on the Rights of Persons with Disabilities, Article 25.

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Communicate expectations for implementing the policy internally and externally to the company’s workforce, shareholders, subsidiaries’ governing bodies, and business relationships, including through contractual terms.
- Integrate a core focus on food security into their mission statement, overall business strategy.¹³
- Integrate the policy into the company’s procurement policy, responsible sourcing policy, contract terms with suppliers, and other business relationships in the value chain, and partnerships within and beyond the food sector.¹⁴
- Disclose who has formal accountability for implementing their food security strategies at the senior level (e.g., CEO, executive committee, senior manager) and concretely link their remuneration arrangements to the strategy’s targets and objectives.
- Subject their food security strategies to annual standardized internal audit and management review to evaluate the effectiveness of risk management, control, governance, and management systems.
- Ensure their business practices and the incentives they create do not contradict the policy in form or substance.

2. ASSESS ACTUAL & POTENTIAL IMPACTS

SDG-aligned companies identify and assess actual and potential impacts of their business strategy, operations, or value chain on food insecurity. This includes ongoing evaluation of performance against robust standards across their operations and the value chain, including related to product affordability, product distribution and physical accessibility, agricultural product sourcing, and food loss and waste mitigation. Particular attention is given to the impact on priority populations, which face a higher risk of “uncertainties about their ability to obtain food” and who may need to “reduce, at times during the year, the quality and/or quantity of the food they consume due to lack of money or other resources.”¹⁵ In order to systematically assess actual or potential adverse impacts on food security on an ongoing basis within their operations and value chains, SDG-aligned companies:

- **Engage with national development plans, and credible local experts and civil society organizations focused on food insecurity** to assess the needs of priority populations at higher risk of food insecurity and malnutrition. The most senior level of the company reviews existing commercial opportunities available to address these needs, and comprehensively takes into account internal operations (e.g., portfolio, distribution, innovation strategy) and all forms of malnutrition risk (i.e., undernutrition, micronutrient deficiencies, obesity, and diet-related diseases). Determinants of individual and household food insecurity are referenced to identify priority populations at risk of food insecurity, namely:
 - **Distinct nutritional needs** related to health status, age, or life stages (e.g., people of childbearing age, infants, young children, elderly, disabled) and undernourished groups, particularly those at higher risk of hunger or micronutrient deficiencies.
 - **Income and other socioeconomic factors** that impact the affordability and accessibility of healthy products (e.g., wealth, income level and reliability, and education).
 - **Legal factors** that exclude individuals from government food aid and other social programs based on race, immigration status, sexual orientation, or gender identity.
 - **Geographic and other physical access factors** such as food environments (e.g., distance from food vendors and distribution centers), urban vs. rural place of residence, infrastructure, and risk of natural disaster.¹⁶
 - **Identify the extent to which populations are exposed to food insecurity in each of their markets caused by, contributed to by, or directly linked to their operations, business relationships, or commercial strategies**, including growth strategies and marketing practices that have potential unintended negative impacts on food security (e.g., highly processed food production, points-of-sale locales, displacement of small-scale food producers).
- These include:
- **Product pricing:** Extent to which prices of the company’s healthy products align with the purchasing power of general consumers and priority populations (e.g., low-income groups).
 - **‘Healthfulness’ of the product portfolio:** In relation to local contexts of food insecurity and their related nutrition and health risks, including quantifying the level of production, affordability, and accessibility of a company’s healthy food products (e.g., fortified products, fresh foods inherently high in micronutrients) relative to its unhealthy products (e.g., unhealthy ultra-processed foods).
 - **Differences by geographical location:** Growth and marketing strategies that might impact the physical accessibility of healthy and unhealthy products for the general consumer and priority populations accounting for geographical access (e.g., ‘food deserts,’ rural vs. urban areas), including arrangements with retailers and food distributors.¹⁷
 - **Environmental and social risks:** Current business or growth strategies that incur environmental risk, diminish smallholder land ownership, threaten livelihoods, and reduce food sovereignty.
 - **Identify areas in its business operations and relationships with high risks of being involved with negative impacts on food security at multiple levels** across the community, national, regional, and global levels.¹⁸ External (e.g., national regulatory, international, non-governmental) guidelines are used to evaluate direct or indirect contributions to food insecurity in their operations and across their value chain, including:
 - **Contributions to environmental degradation** (e.g., unsustainable land and water use) and climate change that contribute to the destabilization of food production and supply chains.
 - **Displacement of small-scale food producers**, which can lead to diminished local food production, lack of market access, or inability to afford a decent standard of living.
 - **Food loss and waste**, including inadequate infrastructure in their distribution systems (e.g., cold chain, transportation, markets), particularly in resource-limited settings.
 - **Evaluate how investment priorities, industrialization, and other business strategies indirectly contribute to declines in food security and economic development of priority populations**, particularly in low-income countries and regions (e.g., export-oriented industrial agriculture competing with small-scale food producers).



- **Cooperate at a sector-wide and, where relevant, cross-sectoral level with governments, workers, international organizations, civil society organizations, and other stakeholders** operating on the ground on collective monitoring initiatives to identify activities and areas where there is a high risk of impacts on food security from company operations or supply chain activities.¹⁹

3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their comprehensive assessment of actual and potential food security impacts outlined in **Step 2** into relevant internal functions and processes by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific time-bound intermediate and long-term targets to improve food security through their business strategy, across all geographic areas in which they operate, and with particular attention to priority populations. The targets are ambitious enough to contribute significantly to the SDGs' achievement, in particular SDG 2 and SDG 3. The intermediate targets are relevant for companies to monitor their and their business relationships' continuous improvement towards meeting the standard. Where possible, indicators measure outcomes rather than outputs or activities. These targets are tailored to the company's business activities and relationships based on their assessment of food security impacts. The following are some examples of performance indicators to track progress over time:

- By 2030, 100% of the company's healthy products are affordably priced for low-income and other priority populations.
- By 2030, 100% of a company's healthy products are of the same or lower prices than comparable unhealthy products in its product portfolio.
- By 2030, 100% of a company's healthy products are accessible to priority populations in its markets through improved distribution, new retail partners, and other investment strategies across its value chain.
- By 2025, the company reduces levels of food loss and waste by 50% across its value chain.
- By 2030, the company eliminates all business strategies that directly or indirectly threaten food sovereignty internationally, including those which displace small-scale food producers in low-income countries, rural areas, and other priority populations.

3.2. TAKE ACTION

Where an SDG-aligned company identifies actual or potential adverse food security impacts in the context of its operations and value chain it takes appropriate and swift action to cease them to align with the standard. It also uses leverage to prevent and mitigate practices with business relationships and stakeholders (e.g., policymakers) in its broader ecosystems that cause harm or contribute to food insecurity.²⁰

SDG-aligned companies factor food security into decisions across their value chains, including targeted market expansion, price setting, research and development, and points of sale marketing and distribution planning. Any strategy developed to improve food security, has a clear approach focused on the specific unmet nutritional and health needs of populations across the markets in which they are active, with a focus on relevant priority groups. The strategy follows systematic, measurable, and specific steps in all markets and is aligned with appropriate national or international guidelines. It is also embedded as a core facet of the overall business strategy rather than delivered through philanthropic programs or giving alone.²¹ Depending upon assessment findings, measures to align practices with the standard could include:

- **Improving affordability:**²²
 - Offering discounts, price promotions, or coupons on healthy products, with specific attention made to the purchasing power of low-income groups.
 - Reducing prices, or making package sizes smaller to reduce the price point of single units, to make healthy products, including those that contribute to balanced nutrition, more affordable.
 - Increasing prices of unhealthy food products to subsidize healthy ones.
 - Providing healthy products at reduced prices to governmental or non-profit food security programs.
- **Improving physical access:**²³
 - Providing healthy foods as the standard product line for retailers in rural and poor urban areas.
 - Incentivizing grocery stores, farmers' markets, and other fresh food retailers' expansions into areas with limited access to nutritious food (i.e., food deserts).
 - Obtaining prominent shelf positions for their healthy products via arrangements/incentives with retailers on an ongoing basis.
 - Creating arrangements/incentives with distributors regarding how, where, and with what frequency healthy products are distributed.

- **Engaging in discretionary philanthropic activities to promote food security in coordination with communities and local civil society organizations:**²⁴
 - Funding non-commercial public health and nutrition programs that serve food-insecure and other priority populations.
 - Donating healthy products, including imperfect foods destined to be lost or wasted, to be distributed to undernourished groups, school feeding programs, and other food security efforts.
 - Using their distribution systems to deliver healthy products, including those that contribute to balanced nutrition, in priority populations.
- **Lobbying national or international regulatory bodies through collective action with peer companies and in coordination with communities and local civil society organizations:**²⁵
 - Support, and do not impede, regulations that protect smallholder land ownership, preserve ecosystems, and mitigate climate change.
 - Support, and do not impede, expanding social protection programs that reduce poverty, promote income equality, and are sensitive to population-specific nutritional needs.
 - Support, and do not impede, the elimination of tariffs and other trade policies that limit food sector growth, particularly in developing economies.
 - Support, and do not impede, revisions to food product date-labeling regulations (e.g., “best if used by”) that reduce food waste by retailers and consumers.
- **Acting on opportunities to improve food security in their production and supply chain infrastructural investments, including:**
 - **Eliminating exploitative food production practices,** including unsustainable land use (e.g., deforestation for non-native crop production), climate change contributions (e.g., greenhouse gas emissions), displacement of subsistence food production, and export-oriented agriculture.
 - **Minimizing food loss and food waste** by, for example, bolstering cold chains and other infrastructural development (e.g., storage, processing, preservation, transportation, markets) to retain the nutritional value of perishable commodities such as fruits, vegetables, dairy, and fish, particularly in resource-limited settings, instead of investing in highly processed foods.²⁶
- **Investing in sustainable food production, including crop diversification,** water-efficient cropping systems, and vegetable and other high-value specialty crop production. This can also include partnering with governmental, academic, or non-profit institutions focused on research and development for improved and sustainable agricultural technologies for nutrient-rich specialty crops (e.g., fruits, vegetables, nuts).
- **Supporting the productivity and value chains of small-scale food producers,** especially women, Indigenous peoples, family farmers, pastoralists and fishers, subsistence, and other smallholder farmers. This can involve:
 - Ensuring living incomes for all producers, with particular attention to smallholders.
 - Establishing collaborations with local entities (e.g., food and agricultural organizations) to support research and development programs for sustainable and resilient technologies (e.g., efficient irrigation infrastructure) that strengthen capacities; increase the productivity, distribution, and sale of nutritious foods; maintain adequate levels of profitability for producers; and reduce costs for small-scale food producers.²⁷
 - Financing efforts by communities to obtain food sovereignty through increased productivity of small-scale food producers and infrastructural development across local food supply chains (e.g., processing, storage, transportation).
- **Lobbying national and international governing bodies to support, and not impede,** investments in food crop diversification; subsidies for nutrient-rich, minimally processed foods for direct human consumption (e.g., fruits, vegetables, nuts, legumes); elimination of subsidies for commodities typically used in highly processed, unhealthy food production (e.g., high-fat meat and dairy products, sugary drinks, refined grains); healthy food environments (e.g., elimination of unhealthy food marketing and advertisement); nutrition-sensitive social protection policies; and reductions in poverty and income inequality.²⁸

4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

To enable access to remedy for food security impacts, SDG-aligned companies establish effective operational-level grievance mechanisms for individual consumers, communities, business relationships (e.g.,



suppliers, producers, distributors, retailers), and other affected stakeholders. They also have and use their leverage to ensure their business relationships have effective grievance mechanisms.

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies commit to respectful, equitable, and transparent cooperation with judicial grievance and remediation processes, where relevant. The company refrains from using legal waivers that preclude access to judicial recourse for victims. Where State-based mechanisms order sanctions or remedy, the company complies and uses leverage to ensure its business relationships comply.

4.3. PROVIDE OR ENABLE REMEDY

When SDG-aligned companies identify that they have caused or contributed to food insecurity through their operations or business relationships, they acknowledge their part in the occurrence of the harm done and provide for or cooperate in their remediation through legitimate processes.

Where SDG-aligned companies identify that they are directly linked to food security-related impacts in their operations or business relationships, they acknowledge their part in the occurrence of the harm done and they enable remedy. To remedy identified harms to individual, community, or systemic food security, the companies actively and equitably seek to (a) make whole the harmed person or entity and (b) rehabilitate the business ecosystem that led to the impact. Remedy for food security impacts includes actively carrying out, supporting, and financing efforts to improve food accessibility, in collaboration with local governments and communities, including those identified as priority populations.

5. TRACK PERFORMANCE

SDG-aligned companies track implementation measures to meet the standard through qualitative and/or quantitative outcome-based performance indicators, on an ongoing basis and in partnership with suppliers and other stakeholders in their value chain. In particular, SDG-aligned companies monitor whether actions are implemented within their target dates. The following are some examples of performance indicators to track progress over time:

- Percentage of population in the company's markets and where it sources agricultural products who live in households with severe food insecurity at locations where the company and its business relationships operate.²⁹
- Proportion of women living in the company's markets and where it sources agricultural who report having had enough money to buy the food that their family needed in the past 12 months.³⁰

- Changes in the price ratio of the most nutritious products to the least nutritious products.
- The number of coupons or discounts for the company's most nutritious products used in markets that serve priority populations.
- The number of markets reached that serve priority populations with healthy foods.
- Percentage of marketing or sales expenditures related to improving access to nutritious products by priority populations.

6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their food security commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts on food security in their operations and value chain, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:

- **Improvements in the affordability of their healthy products**, including those that address micronutrient deficiencies, relative to products not meeting their nutrition standards. The companies share strategies, targets, commentary, and examples of improving the affordability of healthy options for general consumers and priority populations.
- **Improvements in the physical accessibility of their healthy products**, including those that address micronutrient deficiencies, relative to products not meeting their health standards. The companies share strategies, targets, commentary, and examples of the availability of healthy food product options for both general consumers and priority populations (e.g., those living in 'food deserts,' those at high risk of malnutrition).³¹
- **Reductions in exploitative food production practices** that threaten food sovereignty, ecosystems, and local and sustainable sources of food.
- **Philanthropic activities, arrangements with business partners across their value chains** (e.g., supplier, distributors, retailers), **and partnerships with other stakeholders** (e.g., governments, non-profits, research institutions) that improve food security in their broader ecosystems.

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By taking action in their value chains, companies can spur transformative changes for people and planet through their existing business connections. Where underlying conditions or root causes in the ecosystem surrounding the company and its value chain actors make tackling certain sustainability issues particularly challenging, companies can reach beyond their value chains and contribute to positive impacts on people and planet in their broader ecosystems.

Tractor spraying soybean crops with pesticides and herbicides.
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4

FOOD SAFETY STANDARD

PILLAR 1
BENEFICIAL PRODUCTS



Commitment

Prevent and eliminate food safety hazards in the company's operations and value chain to ensure safe food for consumers and prevent harms to broader ecosystems.

A sow and her piglets in a piggery.
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Aligning a company's practices with the SDGs entails preventing and eliminating food safety hazards or foodborne disease (FBDs) and promoting best practices for food safety in their operations, value chain, and the broader ecosystem. Food safety is a cornerstone of food security, particularly for those living in poverty and other vulnerable situations, and is a requisite for a sustainable and equitable food industry. Food safety is also closely linked to food waste,¹ human nutrition and health,² and the environment,³ and therefore, contributes to the achievement of SDGs 2, 3, and 12. Minimizing the incidence of food safety hazards and foodborne illness can also improve economic productivity and human prosperity.

FBDs are illnesses that result from the ingestion of food or beverages with safety hazards. Food safety hazards include anything that can harm the health of consumers and are often classified as biological (e.g., bacteria or parasites), chemical (e.g., heavy metals or pesticides), or physical (e.g., metal fragments or glass shards). Factors that contribute to food hazards include, "improper agricultural practices; poor hygiene at all stages of the food chain; lack of preventive controls in food processing and preparation operations; misuse of chemicals; contaminated raw materials, ingredients and water; and inadequate storage."⁴



A study by the World Health Organization (WHO) found that in 2010 food hazards caused 600 million FBDs and 420,000 deaths.⁵ The global burden was 33 million Disability Adjusted Life Years⁶ (DALYs), and most of this burden fell on developing countries.⁹ Although children under five comprised only 9% of the global population that year, they bore 40% of this burden.⁷ Additionally, 97% of foodborne illnesses resulted from biological hazards such as bacteria, viruses, and parasites.⁸

Many FBDs are zoonotic, which means they are transmissible between animals and humans and can result in new emerging diseases and even widespread pandemics. Therefore, many food safety experts increasingly rely on the One Health concept to identify the crucial intersection between human, animal, and ecosystem health, particularly as it relates to the detection and prevention of zoonotic disease through risk assessment methodology.⁹

For food companies, practicing good food safety management practices concerns remaining vigilant over the hygienic and nutritional quality of their products and the presence of potential allergens. It requires implementing proper management systems and methods for labeling, presentation, sampling, and risk analysis.¹⁰ By using their leverage to influence actors in their value chains and the food sector more broadly to adopt more stringent food safety practices, food companies play a vital role in preventing food safety-related impacts and scaling practices for good food hygiene. In doing so, they protect human health, environmental sustainability, food security, and human wellbeing. Increased attention to food safety will improve nutritional outcomes worldwide, produce less waste, and increase food security. In turn, better nutrition and more efficient food systems pay long-term dividends for health, productivity, and economic growth.

BOX 6: KEY RESOURCES FOR FOOD SAFETY

- Codex Alimentarius guidelines on General Principles of Food Hygiene: Good Hygiene Practices¹¹
- Global Food Safety Initiative (GFSI) benchmark.¹²
- CFS Principles for Responsible Investments in Agriculture and Food Systems.¹³

a. “The overall burden of disease is assessed using the disability-adjusted life year (DALY), a time-based measure that combines years of life lost due to premature mortality (YLLs) and years of life lost due to time lived in states of less than full health, or years of healthy life lost due to disability (YLDs). One DALY represents the loss of the equivalent of one year of full health.” (Source: WHO, “Disability-Adjusted Life Years (DALYs),” 2021, <https://www.who.int/data/gho/indicator-metadata-registry/imr-details/158>.)



4

FOOD SAFETY

SDG-ALIGNMENT: THIS STANDARD CONTRIBUTES TO ACHIEVING THE FOLLOWING SDGS:



SDG 2 – Zero hunger

Target 2.1: By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.



SDG 12 – Responsible consumption and production

Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

Target 12.3: By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.

Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

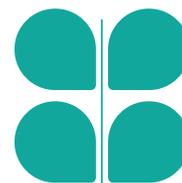
Target 12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities.



SDG 3 – Good health and well-being

Target 3.4: By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.

Target 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.




PILLAR
1

BENEFICIAL PRODUCTS



STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior level of SDG-aligned companies adopt a policy based on their commitment to respecting the human rights to food and health, including by ensuring food safety across its operations and business relationships. The policy:

- Aligns with and explicitly references the standards listed in Box 7.
- If the national law where a company and its business relationships operate conflicts with international standards, the company defers to the higher standard.

BOX 7: INTERNATIONAL HUMAN RIGHTS STANDARDS ON THE RIGHTS TO FOOD & HEALTH

- Universal Declaration of Human rights, Article 25.¹⁴
- International Covenant on Economic, Social and Cultural Rights, Articles 11 and 12.¹⁵
- International Convention on the Elimination of All Forms of Racial Discrimination, Article 5 (e)(iv).¹⁶
- Convention on the Elimination of All Forms of Discrimination against Women, Articles 11(1)(f), 12, and 14(2)(b).¹⁷
- Convention on the Rights of the Child, Article 24.¹⁸
- International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, Articles 28, 43(e), and 45(c).¹⁹
- Convention on the Rights of Persons with Disabilities, Article 25.²⁰

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Communicate expectations for implementing the policy internally and externally to the workforce, shareholders, subsidiaries' governing bodies, and business relationships, including through contractual terms.
- Integrate the policy into the procurement policy, responsible sourcing policy, contract terms with suppliers, clients, recruitment agencies, and other business relationships in the value chain, and partnerships within and beyond the food sector.²¹
- Integrate the policy into by-laws and other governance documents (i.e., Code of Conduct, Code of Ethics) and its management procedures.²²
- Ensure their business practices and the incentives they create do not contradict the policy in form or substance.

2. ASSESS ACTUAL & POTENTIAL IMPACTS

SDG-aligned companies identify and assess actual or potential impacts on food safety or poor hygiene practices within their business operations and value chains in accordance with Codex standards.²³ To systematically assess actual or potential instances of food safety hazards on an ongoing basis within their operations and value chain, SDG-aligned companies:

- Consider how their business models and common business practices incentivize or facilitate poor food safety protocols, negligence, or introduction of food safety hazards. This includes assessing worker culture, regional waste management and hygiene guidelines, and other potential sources of contamination or negligence characteristic of certain companies' business models (e.g., high volumes of animals in confinement, low-cost production with strict delivery deadlines, or other potential pressure points for food safety).
- Regularly conduct audits of all production facilities or plants along the value chain, especially considering high-risk areas such as where animals are confined, where products require temperature regulation, or where hazardous materials are involved in production. Audits employ the Codex²⁴ and GFSI standards as benchmarks²⁵ and require that best practices and technologies are utilized for food safety.
- Engage qualified and credible individual experts and expert organizations in on-site food safety impact assessments, including assessments of suppliers' practices in accordance with Codex standards²⁶ and periodic testing of the quality and purity of final ingredients and products produced.

- Engage with workers and trade unions to identify areas and activities that present food safety risks in their operations and value chain.
- Cooperate at a sector-wide and, where relevant, cross-sectoral level with governments, workers, international organizations, civil society organizations, and other stakeholders operating on the ground to identify activities and areas that are high-risk for food safety hazards or food safety breaches.

3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their assessments of any actual or potential impacts due to food safety hazards into relevant internal functions and processes by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific time-bound intermediate and long-term targets to eliminate and prevent food safety hazards and implement good food safety management practices that are ambitious enough to contribute significantly to the SDGs' achievement. The intermediate targets are relevant to monitor their continuous improvement and that of their business relationships towards meeting the standard. Where possible, indicators measure outcomes rather than outputs or activities. These targets are tailored to a company's business activities and relationships based on its assessment of the actual and potential impacts on food safety in the company's operations and value chain.

3.2. TAKE ACTION

SDG-aligned companies integrate the findings of their assessments of food safety into relevant internal functions and processes. They take appropriate action to cease, prevent, and mitigate negative impacts. Where a company identifies actual or potential food safety hazards in its value chain, it uses and increases its leverage to prevent, mitigate, and remediate these risks. SDG-aligned companies use the internationally recognized Codex standards²⁷ in conjunction with relevant national guidelines and up-to-date science when determining hygiene practices and targets for every stage of the food chain, from production to harvest, processing, storage, distribution, to preparation and consumption.

Depending on the specific risks and impacts identified, measures to address actual or potential food safety impacts include:

- **Adopting Codex-aligned hygiene and food safety production practices** in company operations, as well as choosing suppliers who have already adopted these practices or supporting suppliers in adopting them. SDG-aligned companies, in every stage of the value chain, and work to empower small producers and food facilities to adopt GFSI-recognized food safety schemes/ programmes²⁸ to ensure that their products meet international safety standards.
- **Establishing production and manufacturing methods in accordance with best practices in food hygiene and safety** and adjusting any that are in tension with its ability to ensure adequate and consistent food safety in company operations and value chains. This includes keeping facilities clean according to HACCP food safety management standards,^b properly handling and isolating ingredients (particularly allergens), utilizing best practices in animal confinement, properly addressing waste management in production (particularly of sensitive ingredients or chemicals that could be damaging to human or environmental health), and ensuring cold chain storage is adequate for transport. Agricultural production also limits the use of agrichemical inputs to minimize the contamination of food products with hazardous chemicals, such as glyphosate. SDG-aligned companies defer to international best practices regarding the use of food additives and synthetic ingredients in their products and ensure that they are aligned with the most recent scientific research about the health and environmental impacts of each ingredient used along the value chain.
- **Utilizing data labels clearly and legibly on packaging** to alert consumers as to the date where a food item will no longer be suitable for human consumption. Importantly, the date labels reflect food *safety*, not food peak quality, so as not to incentivize excess food waste.
- **Providing adequate guidance for consumers to determine food safety risks of packaged foods** and decipher the information provided on food labels. Labels also alert consumers to specific handling requirements of the food item, such as refrigeration or storage.

b. "Hazard Analysis and Critical Control Point (HACCP) is a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product." (Source: FDA, "Hazard Analysis Critical Control Point (HACCP)," 2018, <https://www.fda.gov/food/guidance-regulation-food-and-dietary-supplements/hazard-analysis-critical-control-point-haccp>.)



- **Utilizing appropriate and sustainable packaging** to protect food items from external contamination and to preserve freshness for as long as possible, simultaneously targeting both food security and food waste.
- **Providing extensive worker capacity building on good food safety management practices.** Where company internal practices or practices along the value chain are found to be discordant with food safety management and hazard control, appropriate research and training are conducted to provide safe and hygienic alternatives.
- **Engaging in consumer education and providing resources** to (1) reduce knowledge gaps about proper handling, storage, and cooking methods for different food items; (2) help them to make safe purchasing choices; (3) prevent foodborne illness.

4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

SDG-aligned companies establish effective mechanisms to provide or enable remedy when food safety breaches or outbreaks occur. The companies also have and use leverage to ensure their business relationships have effective grievance mechanisms in place.^c These mechanisms are accessible to their workers, value chain workers, and any person from the community to report non-compliance with food safety standards and their impacts (e.g., operational-level grievance mechanisms, hotlines with effective grievance handling procedures). The companies provide training or develop actions to communicate the existence and operation of such grievance mechanisms to all potentially affected stakeholders and communities.²⁹

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies refrain from using legal waivers that preclude access to judicial recourse for victims of food safety impacts. The companies cooperate with and support legitimate judicial and non-judicial State-based mechanisms to report and adjudicate food safety violations.³⁰ The companies comply with fines or other state-based sanctions issued and provide remedy to those harmed by non-compliance with national food safety and consumer protection laws.

4.3. PROVIDE OR ENABLE REMEDY

When a company identifies that it has caused or contributed to an instance of foodborne illness or food safety hazards in its operations or value chain, they acknowledge their part in the harm done and provide remedy through legitimate processes. Where the company did not cause or contribute to the harm directly, it enables remedy through legitimate processes. Some remedy actions include:

- Providing monetary compensation for harm caused or contributed to through a food safety breach or practice that causes an FBD outbreak or negatively affects consumer health.
- Providing resources for medical care and rehabilitation for the individuals affected by the outbreak or food safety hazard.
- Immediately halting production, take measures to prevent further contamination, including cleaning of facilities, storage facilities, or locations, and take steps to ensure that the same breach does not reoccur.
- Providing ecosystem rehabilitation in collaboration with local governments and communities, including Indigenous and farmer communities, for any environmental damage resulting from the food safety breach, such as water contamination, zoonotic disease spread, loss of biodiversity.

c. As defined by the UNGPs' Effectiveness Criteria for Non-Judicial Grievance Mechanisms ("In order to ensure their effectiveness, non-judicial grievance mechanisms, both State-based and non-State-based, should be: (a) Legitimate... (b) Accessible... (c) Predictable... (d) Equitable... (e) Transparent... (f) Rights-compatible... (g) A source of continuous learning... Operational-level mechanisms should also be: (h) Based on engagement and dialogue...") (see UNGP 31 for further information). (Source: United Nations, "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework.")

5. TRACK PERFORMANCE

SDG-aligned companies track, on an ongoing basis and through qualitative and/or quantitative outcome-based performance indicators, the implementation of actions taken to meet the standard. In particular, they monitor whether actions are implemented within their target dates. The companies partner with suppliers, government institutions, civil society organizations, and other stakeholders to design and implement effective tracking and monitoring mechanisms. Threshold targets are established using compiled data by competent authorities.

The following are some examples of performance indicators to track progress over time:

- Percentage of suppliers and other business relationships in the value chain utilizing a GFSI-recognized food safety scheme/ programme and adhering to international Codex standards for food safety.
- For companies with significant operations in the animal protein sector, the percentage of animal livestock living in conditions that align with World Organization for Animal Health (OIE) standards for hygiene and disease prevention (particularly where animals are closely confined and in slaughterhouses).³¹
- The percentage of products that contain bacteria or other microorganisms that are considered to be the most harmful to humans.
- Chemicals utilized in the value chain, including pesticides, chemical fertilizers, steroids, antibiotics, or other inputs potentially dangerous to human health, measured per mass of product and compared year over year.
- The proportion of products produced that are fully audited to meet hygiene and food safety standards, specifying the geographic locations in which the products are sold.
- Findings of third-party food safety management impact assessments and audits and remediation measures taken where instances of non-compliance were identified.

6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their food safety commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts on food safety in their operations and value chain, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:

- Targets to address key food safety issues and performance against the targets.
- Internal business and value chain operations considered having significant risk for incidents of food safety hazards, contamination, foodborne illness, or poor food safety management practices, specifying the geographic locations of these operations.
- Methods used to assess operations and business relationships to identify and measure the risk for incidents of food safety hazards, contamination, foodborne illness, or poor food safety management practices.
- Measures taken during the reporting period to ensure good hygiene practices and food safety management international best practices in its operations and value chain.
- Any measures taken with peer companies, companies across industries, civil society, and/or governments to improve food safety.
- Analysis of trends demonstrating progress and, where appropriate, explaining lessons learned from stagnation or decline towards meeting the standard and achieving intermediate and long-term targets on preventing and eliminating food safety hazards in its business operations and value chain.



ENDNOTES

1. For example, in relation to product recalls or food losses due to safety breaches.
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3. For example, soil and water pollution from chemicals or antimicrobial drug resistance.
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5

AGROCHEMICALS &
SUSTAINABLE AGRICULTURE

STANDARD



PILLARS 2 & 3
SUSTAINABLE
OPERATIONS &
VALUE CHAINS



Commitment

Minimize agrochemical use in the value chain and support producers in transitioning to sustainable and regenerative agricultural practices that maintain productivity while protecting ecosystems and human health and preserving soil and other natural resources.

Tractor spraying pesticides
on a vegetable field.
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Aligning a company's practices with the SDGs entails ensuring that current agricultural productivity does not compromise that of future generations. However, many of the common food production practices that support increased productivity in the short term have negative impacts that undermine the achievement of the SDGs and jeopardize long-term environmental and agricultural resilience. Chief among these is the use of agrochemicals and intensive agricultural practices that damage ecosystems and degrade soil and natural resources.

Collectively, the world has not been able to meet intermediate targets and has fallen below the trajectory necessary to meet the SDGs related to the responsible utilization of agrochemicals and mitigation of their adverse impacts.¹ The use of agrochemicals, including fertilizers, pesticides (also referred to as "plant protection products"), and antimicrobials (e.g., livestock antibiotics), has deleterious effects on people and the planet. Unfortunately, the majority of agrochemicals, in large part due to their non-discriminatory and widespread use, do not perform as intended. An estimated 95 to 99.9% of pesticides

applied, for example, do not reach their target objects (i.e., the actual pests they are intended for),² and it is estimated that 75 to 90% of antimicrobials are excreted by livestock unmetabolized.³ The resulting runoff, leaching, and other deposition of these chemicals into ecosystems have dire environmental effects, including water supply contamination, creation of hypoxic ocean zones, greenhouse gas emissions, biodiversity loss (e.g., disruption of species reproduction, pollinator population reductions), and soil degradation.⁴

Agrochemical use can also have dire consequences on human health. Pesticide intoxication kills hundreds of thousands of people per year⁵ and damages the health of millions,⁶ particularly in developing countries where regulations and safety precautions are less stringent and toxic agrochemicals that are banned in more developed countries are still used.⁷ Additionally, while further research is needed, large-scale epidemiological findings suggest consuming conventionally grown foods results in greater incidences of cancer compared to diets comprised mainly of foods grown without



synthetic pesticides.⁸ Excessive use of antimicrobials among livestock and food-producing animals, especially prophylactically for non-therapeutic reasons such as growth-promotion, has also created increasing concern of antimicrobial resistance and its large public health implications (e.g., pandemics).⁹

While the overuse of agrochemicals and intensive planting and harvesting practices currently provide some benefits with regards to yields and risk mitigation, they pose long-term threats to the productivity and security of global food systems through the disruption of natural ecosystem services (e.g., pollination by invertebrates), soil degradation and loss, resistance and the need to use ever-increasing quantities to realize the same effects, and other consequences. Indeed, continuing current agricultural practices and the heavy use of agrochemicals is predicted to render them increasingly ineffective, cause an increased risk of crop failures and livestock diseases, decrease productivity, threaten global food security, and impose greater financial risk and burden for producers.¹⁰

Indeed, the future of global food systems is dependent on the perpetuity of the natural resources that support agriculture and food production. Of utmost concern is soil health, which determines “the ability of the soil to sustain the productivity, diversity, and environmental services,”¹¹ including agriculture and food production both now and for future generations. Soil is a nonrenewable resource,^a and its loss poses a major threat to global food security and achievement of the SDGs, especially SDG 2 concerning global hunger.¹² Soil is essential for land-based agriculture and a dynamic, interdependent ecosystem in itself that relies on complex relationships between microbes, plants, and animals to maintain fertility. Globally, soil erosion is accelerating, and intensive agricultural practices (e.g., tilling, application of agrochemicals, monoculture cultivation, and leaving fields fallow) have not only greatly reduced the sheer volume of soil available for food production but also its fertility. Estimates suggest more than one-third of all arable soil has been degraded and, at the current rates of loss and degradation, 90% of soils could be unsuitable for agriculture by 2050.¹³

Fortunately, alternatives to intensive agricultural practices exist, including those that promote more judicious and precise application of agrochemicals, that provide natural pest and pathogen protection while protecting human and environmental health, that preserve soil, and that render food systems more resilient and stable. Amongst these are agroecological approaches and other options that partially or entirely replace agrochemicals and may enhance natural resources and ecosystem health, including organic or biological^b pest controls,¹⁴ integrated pest management (IPM) approaches,^c cover cropping, crop rotation, perennial cultivation, tilling reduction, or elimination, and managed grazing.¹⁵

However, the feasibility of and pathways towards agroecology and sustainable agricultural systems are still contested, and agriculture is intimately tied to social and economic concerns. Complete or rushed transitions of agricultural practices could prove counterproductive, threatening global food security and safety, disproportionately disadvantaging those already vulnerable to food insecurity and hunger, and putting the livelihoods of producers, especially smallholder producers,^d at risk.¹⁶ For this reason, as well as the nuanced challenges of feeding a global population of nearly 10 billion by 2050¹⁷ without significantly growing agriculture’s footprint, it may be imperative to transition to alternative practices judiciously, employing qualified experts, producers themselves (who are experts on their land and activities), and other stakeholders to determine suitable transition plans and trajectories that help maintain productivity and livelihoods while minimizing synthetic inputs and their environmental and human health impacts.

As food companies depend on stable and secure value chains, they have a critical role to play in ensuring the long-term sustainability of global food systems through supporting the transformation of production practices, reduction of agrochemical use, and promotion of healthy soil and agricultural lands. Processing companies can support producers in the transition — balancing their productivity needs with the imperative to reduce their agrochemical use and to adopt sustainable agricultural practices to align with the SDGs.

- a. While soil is technically constantly being formed through natural processes, it takes an estimated 1,000 years to create 2-3 cm and restoring lost topsoil is infeasible within several lifetimes; for the purposes of food security in the near future and this standard, soil is thus considered a “nonrenewable resource.” (Source: FAO, “Key Messages,” Global Symposium on Soil Erosion, accessed June 17, 2021, <http://www.fao.org/about/meetings/soil-erosion-symposium/key-messages/en/>.)
- b. Microbial pesticides are bacteria or fungi that target specific pests. Parasitic insects are natural predators of target pests. Use of both biological control options aim to kill target pests without harm to pollinators and other ecosystem aspects. Pheromones are molecules that confuse target pests, preventing them from reproducing or deterring them from certain areas. Importantly, these pest control strategies may have greater specificity for their target pests and, thus, preserve biodiversity. (Source: “Biological ‘Green’ Alternatives to Chemical Pesticides : USDA ARS,” accessed June 1, 2021, <https://www.ars.usda.gov/oc/utm/biological-green-alternatives-to-chemical-pesticides/>.)
- c. Integrated Pest Management (IPM) involves “the careful consideration of all available pest control techniques and subsequent integration of appropriate measures that discourage the development of pest populations and keep pesticides and other interventions to levels that are economically justified and reduce or minimize risks to human and animal health and/or the environment. IPM emphasizes the growth of a healthy crop with the least possible disruption to agro-ecosystems and encourages natural pest control mechanisms.” (Source: Inter-Organization Programme for the Sound Management of Chemicals, WHO, and FAO, eds., *The International Code of Conduct on Pesticide Management* (Rome: Inter-Organization Programme for the Sound Management of Chemicals : World Health Organization : Food and Agriculture Organization of the United Nations, 2014).)
- d. This standard acknowledges the complex challenge of transforming global food systems in ways that are safe, equitable, and feasible. Eliminating agrochemicals or forcing transitions too quickly could prove counterproductive and put producers’, especially smallholders’, livelihoods at risk due to the current state of widespread agrochemical dependence as well as threaten the stability of global food security and stability. (Source: József Popp, Károly Pető, and János Nagy, “Pesticide Productivity and Food Security. A Review,” *Agronomy for Sustainable Development* 33, no. 1 (January 1, 2013): 243–55, <https://doi.org/10.1007/s13593-012-0105-x>.)



SDG-ALIGNMENT: THIS STANDARD CONTRIBUTES TO ACHIEVING THE FOLLOWING SDGS:



SDG 2 – Zero hunger

Target 2.4: By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.



SDG 3 – Good health and well-being

Target 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.



SDG 6 – Clean water and sanitation

Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.



SDG 12 – Responsible consumption and production

Target 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.



SDG 14 – Life below water

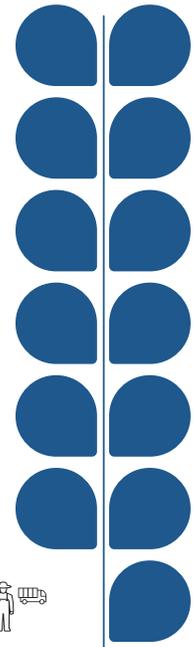
Target 14.1: By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.



SDG 15 – Life on land

Target 15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.

Target 15.3: By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.



SUSTAINABLE OPERATIONS
SUSTAINABLE VALUE CHAINS



STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior level of SDG-aligned companies adopt a policy aligned with the human rights to food, health, water, a healthy environment, a decent standard of living, and life, and centered on a public commitment to (1) minimize the use of agrochemicals in company operations and value chains; and (2) support and adopt sustainable and regenerative agricultural practices in company operations and value chains that preserve natural resources and protect the health of ecosystems and people, including workers and communities in proximity to operations.

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Communicate expectations for implementing the policy internally and externally to the workforce, shareholders, subsidiaries' governing bodies, and business relationships, including through contractual terms with suppliers.
- Integrate the policy into the procurement policy, responsible sourcing policy, and contract terms with suppliers and other business relationships in the value chain.¹⁸
- Integrate the policy into by-laws, other governance documents (i.e., Code of Conduct, Code of Ethics), and management procedures.
- Ensure their business practices and the incentives they create do not contradict the policy commitment in form or substance.

2. ASSESS ACTUAL & POTENTIAL IMPACTS

SDG-aligned companies identify and assess agricultural practices, including the use of agrochemicals, in their operations and value chains and their real or potential impacts, including degradation of natural resources (e.g., soil, water), threats to biodiversity, damage to ecosystem health, or threats to public health. To accomplish this, SDG-aligned companies:

- **Evaluate their main plant and animal-based sources and how their production practices may contribute to agrochemical use and agricultural activities that are detrimental** to soil, water, or ecosystem health. In particular, they assess their or their suppliers' attempts to realize maximum profits and yields at the expense of environmental or human health through these practices (e.g., the common use of blanket antibiotics among livestock to compensate for poorly run farms or save on veterinary bills¹⁹).
- **Engage qualified and credible experts**, including agronomists, agricultural scientists, livestock animal scientists, public health professionals, and epidemiologists, as well as producers themselves, to conduct comprehensive assessments.
- **In partnership with affected stakeholders and subject-matter experts, conduct comprehensive assessments** of their activities at global, national, regional, and farm scales, including evaluation of their:
 - **Use of agrochemicals, and its real or potential impacts on ecosystem health**, including:
 - **Degradation of ecosystems and natural resources**, including (1) water quality (i.e., through runoff, sewage, groundwater contamination, etc.); (2) soil quality, fertility, structure, or nutrient balance; (3) air quality.
 - **Risks to pollinators.**^e
 - **Other biodiversity risks**, including (1) destruction of habitat through environmental degradation discussed above; (2) endocrine, reproductive, and growth disruptions; or (3) poisoning.
 - **Use of agrochemicals and their real or potential impacts on human health**, including an analysis of data on:
 - **Groups affected by agrochemical exposure,**²⁰ including as operators, workers, producers, bystanders, or residents of local communities.

e. Full details on risk assessment methodology can be found in: "Guidance on the Risk Assessment of Plant Protection Products on Bees (*Apis Mellifera*, *Bombus* Spp. and Solitary Bees)," *EFSA Journal* 11, no. 7 (2013): 3295, <https://doi.org/10.2903/j.efsa.2013.3295>.

- **The types of agrochemicals used, any reported health effects among exposed groups**, and associated health risks documented in public health or epidemiology literature.
- **Exposure routes**, including aerosol inhalation, contaminated water, dermal, residue on foliage, multiple application accumulation, etc.
- **Application precision**, meaning the degree to which agrochemicals reach their targets through the most precise method possible.
- **The rate of agrochemical exposure of exposed groups** calculated using internationally accepted reference values and models.²¹ Where reference values are not available due to scientific uncertainties or only a single application (i.e., bolus) of an agrochemical is used, an absolute quantity is used.
- **Risk of antibiotic resistance:**²²
 - **Quantities or antibiotics and other antimicrobials used.**
 - **Exposure routes**, including animal diets, animal waste/manure, animal-human contact.
 - **Proposed mechanisms for how antibiotic resistance is or may be** passed to human pathogens.
- **Agricultural and production practices**, including:
 - **Intensive and unsustainable practices utilized**,²³ including (1) tilling, (2) irrigation; (3) monoculture cultivation; (4) overgrazing; (5) leaving fields barren after harvests.
 - **Real and potential impacts of their use**,²⁴ including (1) soil erosion or loss of quality (e.g., losses to structure, organic matter, and fertility or disruption in soil biota); (2) degradation of water quality due to runoff and other consequences.
- **After assessing current practices, SDG-aligned companies also conduct a forward-looking assessment** to determine:
 - **Yield or productivity impact scenarios:** an assessment of different trajectories to minimize agrochemical use and transform agricultural practices, including potential risks to productivity or yields if agricultural practices are transitioned too quickly or without adequate supports in place. Productivity risks are assessed and reported within the context of risks discussed above, balancing the need to maintain food security and livelihoods with human and environmental health concerns.²⁵
 - **Opportunities to transition to sustainable practices:** an assessment of ways to mitigate impacts discussed above and activities across a company's operations and its value chain that are amenable to conversion to sustainable or regenerative practices.
 - **Potential transition plans:** an assessment of plans to move away from detrimental production practices, including heavy agrochemical use, towards sustainable and regenerative alternatives (see Step 3.2. for examples of such practices) that are suitable in the particular environment of each supplier's land or area. These plans are assessed in conjunction with suppliers and producers and include:
 - **Determinations of the quantity and type of agrochemicals that can be used** within safe environmental and human health limits while maintaining productivity during transitions away from agrochemical-heavy practices towards sustainable ones. These determinations are made in consultation with experts and align with the International Plant Nutrition's best management practices and *4 R framework* that specifies agrochemicals should be judiciously applied with careful consideration of the right product, *right rate, right time, and right place*.²⁶
 - **Feasible but ambitious timelines** for agrochemical reduction and implementation of sustainable agricultural practices.

While SDG-aligned companies may use certification schemes (e.g., *USDA Organic, Farm Sustainability Assessment (FSA)*) to inform their assessment criteria, these certifications do not encompass all facets of the standard. The companies, therefore, do their own due diligence to ensure to conduct comprehensive assessments that address the standard in full.

f. While the definition of "regenerative" agriculture is not yet legally established, here, "regenerative" is used to distinguish production practices that have positive environmental impacts or enhance natural resources such as improving soil quality. (Source: Peter Newton et al., "What Is Regenerative Agriculture? A Review of Scholar and Practitioner Definitions Based on Processes and Outcomes," *Frontiers in Sustainable Food Systems* 4 (2020), <https://doi.org/10.3389/fsufs.2020.577723>).



3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their assessments of agricultural practices and agrochemical use and their real or potential impacts into relevant internal functions and processes by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific, time-bound intermediate and long-term targets to minimize the use of agrochemicals and promote sustainable agricultural practices that are ambitious enough to contribute significantly to the achievement of SDGs 2, 3, 6, 12, 14, and 15, and Targets 2.4 and 12.4 in particular. The intermediate targets are relevant for the companies to monitor their continuous improvement in meeting the standard. Where possible, these targets are relative, rather than absolute, and percent-based metrics to account for the direct relationship between increased food production and potentially increased utilization of agrochemicals and unsustainable agricultural practices. Examples of targets include:

- By 2023, the company achieves a 20% reduction in average pesticide use per area of cropland in its value chain.
- By 2025, the company has fewer than five instances of inappropriate use of agrochemicals during each reporting period.
- By 2025, 100% sourcing is from producers who have eliminated antimicrobial use for purposes other than therapeutic treatment of sick animals.
- By 2025, 90% of farms in the company's value chain have achieved neutral or positive trends in soil organic matter (SOM).
- By 2030, 90% of sourcing comes from producers utilizing one or more sustainable production practices.

In addition, the companies engage with suppliers to support them in meeting the targets and aligning with the standard, including formal transition plans developed in conjunction with producers and graduated requirements to meet targets (i.e., gradual reduction in agrochemical use and transition to IPM or biological control).

3.2. TAKE ACTION

SDG-aligned companies take appropriate measures to meet targets set to minimize agrochemical use and adopt sustainable agricultural practice in its operations and value chain. They also support suppliers and producers in the value chain in transitioning towards sustainable production practices. Importantly, the companies immediately require suppliers to cease:

- **Use of highly hazardous pesticides (HHPs)^g** that cause “severe or irreversible harm to health or the environment” and whose negative effects are unduly borne by those in developing countries where they are not yet banned or appropriately regulated.²⁷
- **Use of agrochemicals for which personal protective equipment (PPE) is required but is inaccessible, cost-prohibitive, or otherwise not consistently available**, which is especially problematic for smallholders and producers in developing countries.²⁸
- **Spraying of agrochemicals in ways that most significantly increase pesticide drift** and pose the greatest risks of severe adverse impacts on biodiversity, environment, and human health including:²⁹ indiscriminate aerial spraying; spraying during high wind, inversion, low humidity and high temperature conditions; spraying with inappropriate boom height,^h pressure, or droplet-size nozzle settings.

SDG-aligned companies then use their leverage and resources to support suppliers and producers in their value chain in meeting the standard by providing:

- **Technical assistance, educational & training programs, and other extension services to:**
 - **Implement transition plans to minimize agrochemicals**, including training and aiding producers in steadily reducing quantities of agrochemicals used in their operations during transitions and step-down trajectories while maintaining yields and livelihoods, ensuring food security, and minimizing risks to the environment and human health.³⁰ It may also include implementing strategies for mitigating risks of agrochemicals during transitions such as buffer zones³¹ and agrochemical additives that prevent leaching into the natural environment or their conversion to greenhouse gasses (i.e., nitrous oxide from nitrogen-based fertilizers).³²

g. Eight criteria are used to determine if a pesticide is classified as “highly hazardous.” Full details on all of the criteria can be found in: Inter-Organization Programme for the Sound Management of Chemicals, WHO, and FAO, *The International Code of Conduct on Pesticide Management*.

h. Boom height is the distance from the applicator nozzle to the target. (Source: Kruger et al., “Spray Drift of Pesticides.”)

- **Adopt sustainable and regenerative agricultural practices** that render crops and soils more resistant to disease, improve soil quality and structure, provide biological, rather than synthetic, pest control and growth promotion options, and reduce external inputs. Examples of these practices that can both help in the transition to minimize agrochemical use and can be used long-term in resilient, sustainable food production include:
 - Agroecological practices including agroforestry, polyculture (i.e., intercropping or diversified cropping systems), cover cropping, crop rotation, soil fertility management, appropriate climate-crop selection, and synergistic planting.³³
 - Sustainable Intensification.ⁱ
 - Precision agriculture^l and targeted application of agrochemicals, including more frequent but lower dose, application of nitrogen-based fertilizers to ensure proper nutrient management and optimized uptake.³⁴
- Integrated Pest Management.^k
- Organic pesticide^l use.
- Biological controls, including microbial pesticides,^m parasitic insects, and pheromones.³⁵
- **Implement alternatives to antimicrobials**³⁶ in animal-based operations, including:
 - Good hygiene and vaccinations.
 - Adequate ventilation, clean water sources, and appropriate stock densities for the allocated spaces.
 - Transitioning to heritage and specific breeds that may have a naturally higher resistance to disease.
 - Feed additives (to replace the usage of antimicrobial agents to promote livestock growth).
- **Financing & incentives** to encourage and support producers in participating in the activities discussed above, including:

- Fellowships, grants, and pilot programs that help producers secure training, equipment, or supplies.
- Contractual incentives that specify higher prices/premiums be paid when targets to decrease agrochemical use or implement sustainable or regenerative practices are attained. Other incentives may include longer-term contracts for producers that have reached targets or that commit to doing so on a specified timeline and risk mitigation clauses that provide financial protection from income losses stemming from transition issues.
- Direct payments to producers and other agricultural actors to pay for sustainable or regenerative practices (e.g., paying a producer to take a field out of production for a year, plant cover crops, and contract with a livestock producer to graze the land in an effort to restore soil health).

These financial benefits and incentives are of particular importance. While some sustainable practices that reduce the costs of input and labor or increase productivity may yield higher revenue immediately, others require larger upfront investment or have longer-term payoffs. Without financial support, farmers, livestock ranchers, and other producers, especially smallholders, may not be able to absorb the risks and/or costs associated with transitioning away from agrochemical-heavy practices and implementing new, sustainable ones; understandably, if not economically feasible, producers will abandon these practices or simply not implement them at all.³⁷

If, after reasonable time and provision of adequate resources and support, suppliers and other business relationships do not alter their practices and align with the company expectations or contractual terms to meet the standards, SDG-aligned companies disengage from the business relationship.

- i. Sustainable intensification (SI) involves increasing or maintaining yields “to produce more food without environmental harm, or even with positive contributions to natural and social capital.” SI may be realized through multiple practices that may include rotational grazing, crop rotation, polycultures/diversified cropping systems, soil conservation (e.g. reducing or eliminating tilling), and crop variety improvements. (Source: Jules Pretty and Zareen Pervez Bharucha, “Sustainable Intensification in Agricultural Systems,” *Annals of Botany* 114, no. 8 (December 1, 2014): 1571–96, <https://doi.org/10.1093/aob/mcu205>.)
- j. Precision agriculture harnesses technology to collect frequent data on specific sensors in agricultural systems, model and predict outcomes with changes in practices or inputs, apply treatments (e.g., fertilizers) with precise control, and track actual outcomes. This results in an overall decreased need for agrochemical use and potential for greater yields using fewer inputs. (Source: “Precision, Geospatial and Sensor Technologies Programs | National Institute of Food and Agriculture,” accessed May 30, 2021, <https://nifa.usda.gov/program/precision-geospatial-sensor-technologies-programs>.)
- k. Integrated Pest Management (IPM) involves “the careful consideration of all available pest control techniques and subsequent integration of appropriate measures that discourage the development of pest populations and keep pesticides and other interventions to levels that are economically justified and reduce or minimize risks to human and animal health and/or the environment. IPM emphasizes the growth of a healthy crop with the least possible disruption to agro-ecosystems and encourages natural pest control mechanisms.” (Source: Inter-Organization Programme for the Sound Management of Chemicals, WHO, and FAO, *The International Code of Conduct on Pesticide Management*.)
- l. Organic pesticides are typically made from natural substances such as lime, sulfur, hydrogen peroxide, and essential oils. While these may still have detrimental effects, they may be lesser, especially on pollinators and can be helpful as part of IPM programs and transitioning away from synthetic agrochemical use. (Source: “Organic Pesticides - Comparative Overview” (Xerces Society for Invertebrate Conservation, 2019).)
- m. Microbial pesticides are bacteria or fungi that target specific pests. Parasitic insects are natural predators of target pests. Use of both biological control options aim to kill target pests without harm to pollinators and other ecosystem aspects. Pheromones are molecules that confuse target pests, preventing them from reproducing or deterring them from certain areas. Importantly, these pest control strategies may have greater specificity for their target pests and, thus, preserve biodiversity. (Source: “Biological ‘Green’ Alternatives to Chemical Pesticides : USDA ARS.”)



SDG-aligned companies also act upon its findings and use their leverage to support, promote, and/or constructively participate in:

- **Research & development** of:
 - Scalable agroecological, sustainable, and regenerative practices that improve soil and land quality, protect ecosystem health and reduce dependence on external inputs
 - Perennial crops and breed improvements such as those that: increase nitrogen use efficiency (NUE), including the development of grains that can fix nitrogen themselves, reducing the need for external fertilizer inputs;³⁸ include biological nitrification inhibition (BNI) that prevent losses of nitrogen from the soil;³⁹ improve soil structure and fertility through root structures and functions;⁴⁰ and improve livestock resistance to disease and growth rates.
 - “Enhanced efficiency fertilizers” and other agrochemicals with additives (e.g., coatings, polymer matrices, urease, and nitrification inhibitors) that prevent greenhouse gas formation and leaching into waterways as well as control the release of and more precisely deliver nutrients to target crops. These additivesⁿ may help during the transition to a reduced agrochemical world by reducing the overall quantity needed to maintain productivity and by mitigating environmental harms until an absolute minimum of agrochemical use can be feasibly realized.⁴¹
 - Innovative technologies (e.g., farm management software, precision agriculture apps, etc.) to improve and scale regenerative farming and livestock production practices and reduce the overall need for agrochemical inputs.
- **Existing multi-stakeholder initiatives** by governmental, environmental, agricultural, or academic institutions, industry peers, or non-profits to pilot, improve, or scale sustainable and regenerative agriculture practices and minimize agrochemical use. This may also include using leverage to support the standardization, expansion, or improvement of certification schemes.
- **Supporting, and not impeding, policy change initiatives** that promote industry-wide transparency and usage standards as well as drawdown requirements for agrochemicals in food production; funding for sustainable and regenerative agriculture research and education programs; elimination of subsidies for agrochemicals and implementation of taxes and more stringent regulations around their excessive or inappropriate^o use,⁴² which has been shown to better both environmental and human health outcomes.⁴³

4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

SDG-aligned companies have and use leverage to ensure their business relationships have effective^p grievance mechanisms in place that are accessible to stakeholders to report inappropriate use of agrochemicals and adverse impacts on human or environmental health.

Importantly, the companies ensure workers and their families, as well as other exposed groups, are proactively informed of known risks associated with pesticide exposure, toxicity symptoms and treatment options, systems in place to report adverse effects of exposure, and protections to report without retaliation (e.g., job loss, disciplinary action). This information is provided by the companies or their business relationships in an accessible and easily understandable format and presented in native languages.⁴⁴ The companies also ensure that in their own operations and across their value chains, there are procedures in place to contact emergency services and transport workers experiencing acute toxicity from agrochemical exposure to medical facilities.⁴⁵

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies refrain from using legal waivers that preclude access to judicial recourse for victims of inappropriate use of agrochemicals. The companies cooperate with and support legitimate judicial and non-judicial State-based mechanisms to report and adjudicate violations.⁴⁶ Where State-based mechanisms order sanctions or remedy, the companies comply and use leverage to ensure their business relationships comply.

- n. Agrochemical additives are substances agrochemicals can be combined or coated with before application that control their release, creating a more sustained, targeted effect. (Source: Searchinger et al., “World Resources. Creating a Sustainable Food Future. A Menu of Solutions to Feed Nearly 10 Billion People by 2050.”)
- o. Inappropriate use of agrochemicals is defined here as usage that violates national pesticide safety regulations and precautionary principles such as providing personal protective equipment (PPE), pesticide information, and training to all exposed workers and following strict safety protocols during active spraying/application. Examples of safety protocols can be found in: OCSPP US EPA, “Agricultural Worker Protection Standard (WPS),” Overviews and Factsheets, US EPA, September 18, 2014, <https://www.epa.gov/pesticide-worker-safety/agricultural-worker-protection-standard-wps>.
- p. As defined by the UNGPs’ Effectiveness Criteria for Non-Judicial Grievance Mechanisms (“In order to ensure their effectiveness, non-judicial grievance mechanisms, both State-based and non-State-based, should be: (a) Legitimate... (b) Accessible... (c) Predictable... (d) Equitable... (e) Transparent... (f) Rights-compatible... (g) A source of continuous learning... Operational-level mechanisms should also be: (h) Based on engagement and dialogue...” (see UNGP 31 for further information). (Source: United Nations, “Guiding Principles on Business and Human Rights: Implementing the United Nations ‘Protect, Respect and Remedy’ Framework,” 2011, https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf).

4.3. PROVIDE OR ENABLE REMEDY

When a company identifies adverse impacts on human health or the environment from the use of agrochemicals in its own operations or value chain, it acknowledges its part in the harm done, and provides remedy through legitimate processes. Where the company did not cause or contribute to the harm directly, it enables remedy through legitimate processes. Remedy for these impacts may include:

- Providing monetary compensation for those whose health was harmed by the use of agrochemicals.
- Actively carrying out, supporting, and/or financing natural ecosystem restoration that support soil erosion reduction, water quality, and wildlife habitat recovery where agrochemical use has caused damage.

To ensure instances do not occur again, SDG-aligned companies alter their own and their value chain’s agricultural practices, employee training, safety, procurement, and regulatory policies, and business relationships.

5. TRACK PERFORMANCE

SDG-aligned companies track the implementation of actions to meet the standard within their own target dates through qualitative and/or quantitative performance indicators on an ongoing basis and in partnership with actors in its value chain. In order to fulfill this step of meeting the standard, the companies may require information about agrochemical use and agricultural practices as well as requirements to regularly report on relevant performance indicators as part of their contractual terms with suppliers and other value chain actors.

Examples of performance indicators that indicate progress towards decreasing agrochemical use and ensuring agricultural sustainability include:

- Measures of agrochemical and nutrient use efficiency:

- **Nitrogen^q Use Efficiency (NUE)^r** =
$$\frac{\text{KgNharvestedpercropperyear}}{\text{KgNinputpercropperyear}}$$

- Sustainable Nitrogen Management Index (SNMI)^s
- Percent change in average pesticide use per area of cropland (i.e.,
$$\frac{\text{(Kg totalpesticides (active ingredients)used peryear)}}{\text{(Ha croplandutilized)}}$$
)
- Pesticide risk indicators: Aquatic Risk Indicators (ARI) and Terrestrial Risk Indicators (TERI)^t

- Number of grievances raised about inappropriate use of agrochemicals or number of incidents of agrochemical harm to humans or the environment in company operations and value chains.
- Percentage of supplier fields or weight of total crops grown using sustainable practices (e.g.,

$$\text{IPMpercentage} = \frac{\text{AreaoffieldsorkgofcropsgrownusingIPMpractice}}{\text{Totalareaoffieldorkgofcropssourcedbythecompany}}$$

- Trends in *Soil Organic Matter (SOM)*, which is well-correlated with and functions as an indicator for both soil degradation and erodibility.^u
- Dynamic^v soil quality indicators (e.g., structure & presence of macropores, infiltration rate, available water capacity, etc.).⁴⁷
- Percentage of sourcing from suppliers who have eliminated antimicrobial use for purposes other than therapeutic treatment of sick animals (i.e., for growth promotion or blanket prevention)
- Average dose or mass-based measure of antimicrobial use
 - e.g., **Number of Defined Daily Doses (DDD) per 100 animal days**, which provides an estimate of the percentage of animals treated daily on a farm:⁴⁸

$$\sum_{i=1}^n \frac{\text{(amount (mg) of antimicrobials used in time period)}}{\text{(DDD: (mg/kg/day) } \times \text{ \# animal days in period } \times \text{ average weight for life stage (kg))}} \times 100$$

Average weight for life stage is used in this calculation to account for the fact that there are seasonal and production stage variations in animal weight (e.g., suckler, weaner, and fatterer pigs) and antimicrobial use can be heavier towards the beginning of the life stage.⁴⁹

- q. Adding more and more nitrogen will eventually result in diminishing returns in terms of yields and increased environmental pollution. (Source: Xin Zhang and Eric Davidson, “Sustainable Nitrogen Management Index (SNMI): Methodology,” 2019, 4.)
- r. According to experts, “improving nitrogen-use efficiency (NUE) is one of the most effective means of increasing crop productivity while decreasing environmental degradation.” (Source: Zhang et al., “Managing Nitrogen for Sustainable Development.”)
- s. Sustainable Nitrogen Management Index (SNMI) is a geometric value plotted spatially that standardizes Nitrogen Use Efficiency by yield and accounts for NUE values greater than one; above one, NUE is actually detrimental as nitrogen is being “mined” from the soil during crop harvesting. (Source: Zhang and Davidson, “Sustainable Nitrogen Management Index (SNMI): Methodology.”)
- t. Full details on the calculations for these risk indicators can be found in: “Pesticides: Risk Indicators - OECD,” accessed June 17, 2021, <https://www.oecd.org/env/ehs/pesticides-biocides/pesticides-risk-indicators.htm>.
- u. Soils with higher SOM tend to have better structure and aggregate stability, rendering them more resilient against erosion. (Source: S. Obalum, G. Chibuike, and S. Peth, “Soil Organic Matter as Sole Indicator of Soil Degradation,” *Environmental Monitoring and Assessment* Volume 189, no. 4 (2017), <https://doi.org/10.1007/s10661-017-5881-y>.)
- v. Soil quality is determined by both inherent and dynamic characteristics; the former are relatively stable and unchanging based on geographic location and climate while the latter can change on timescales or seasons or years and are amenable to change based on agricultural inputs and practices. (Source: USDA NRCS, “Soil Quality Physical Indicators: Selecting Dynamic Soil Properties to Assess Soil Function,” September 2008, https://www.nrcs.usda.gov/Internet/FSE_DOCUMENTS/nrcs142p2_050948.pdf.)



6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their agrochemicals and sustainable agriculture commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts related to their agrochemical use and agricultural practices in their operations and value chain, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:

- **The results of their formal assessments** of production practices and opportunities in their operations and supply chains including quantities and types of agrochemicals used, real or potential impacts of agrochemical use on environmental or human health, and opportunities for sustainable practices, including advised opportunities that were not, or have not yet been, adopted.
- **Methods used to assess their operations and value chain**, including experts consulted, affected stakeholders engaged, assumptions made, and data sources (e.g., supplier reported).
- **Measures taken during the reporting period to prevent, mitigate, or address the negative impacts of agrochemicals**, including measures taken to transition minimize their use (e.g., requiring and monitoring supplier implementation of buffer zones).
- **Measures taken during the reporting period to adopt sustainable or regenerative production practices** in company operations and value chains.
- **Any immediate or graduated contractual changes and the supports offered to suppliers**, including training or technical assistance protocols and funding.
-

Progress on relevant performance indicators, even when progress is not as good as expected, and a company falls short of targets set. When a company fails to meet its own targets, it discloses key learnings and delineates how it is modifying its strategy and efforts to still achieve intermediate and long-term targets to minimize agrochemical use and implement sustainable practices in its own operations and value chain.

- **Any measures to support research and development, policy changes, educational programs, or scaling of technologies** that reduce agrochemical use and promote sustainable food production practices, undertaken independently or in partnership with industry peers, organizations, or government bodies.
- **Any specific impacts or grievances** in which inappropriate agrochemical use caused harm to ecosystems or human health in company operations or value chains. In disclosing these instances, the companies specify the agrochemical misused, when the instance occurred, the location, the number of people exposed (if applicable), any medical outcomes that resulted, the extent of environmental damage (if applicable),⁵⁰ and any remedy provided.

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6

CLIMATE CHANGE
& AIR QUALITY

STANDARD



PILLARS 2 & 3

SUSTAINABLE
OPERATIONS &
VALUE CHAINS

6

CLIMATE CHANGE
& AIR QUALITY

Commitment

Rapidly reduce greenhouse gas emissions, aligning to a 1.5°C world, and mitigate air pollution throughout the company's operations and value chain.

Livestock.
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Climate change^a is a critical and urgent threat to all nations and all people. The consequences of climate change, including economic disruptions,¹ weather pattern changes, sea-level rise, and extreme weather events (i.e., droughts, floods, etc.), are already experienced globally and are predicted to increase in frequency and severity.² All of these ramifications significantly threaten the food and agricultural sector and global food security overall.

a. Climate change in this standard refers specifically to anthropogenic (i.e., human-induced) changes in global temperature and weather patterns. (Source: IPCC, "Summary for Policymakers," in *Special Report: Global Warming of 1.5°C*, 2018, <https://www.ipcc.ch/sr15/chapter/spm/>.)

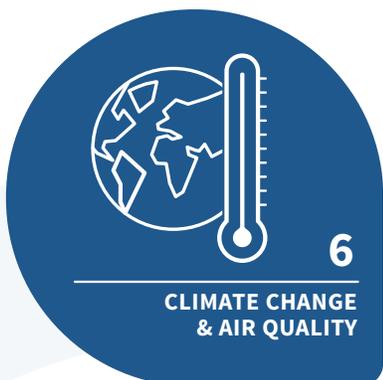


However, food production is not only affected by climate change but also contributes heavily to its intensification. The global food system is responsible for more than a third of total GHG emissions, and the aggregate carbon footprint of food production has increased by more than 12% in the last three decades.³ The primary sources of GHG emissions from the food and agriculture sector come from the following:

- **Land-based production:** The most significant contribution of food production (39%) to GHG emissions stems from “on-farm” production activities, including use of synthetic fertilizer, livestock, manure management, operation of farm machinery and equipment (i.e., use of fossil fuels), rice cultivation, and burning of crop residues.⁴ Importantly, agriculture is responsible for disproportionately large amounts of the most potent and long-lived greenhouse gasses, including methane and nitrous oxide,⁵ which have, respectively, more than 20 times and 300 times the global warming potential of carbon.⁶
- **Land use change:** The expansion and intensification of agriculture have disrupted natural carbon sinks, including forests and peatlands. Approximately 32% of the food sector’s total GHG emissions are attributable to deforestation and soil disturbances.⁷ Conserving soils, restoring forests, and limiting the expansion of agriculture’s footprint are crucial steps in achieving net-zero emissions for the food sector because these serve as vital sources of CO₂ sequestration and absorption.
- **Transport, processing, & retail:** Fossil fuels supply the vast majority of the energy demand within the value chains of food companies in the phases that follow cultivation and harvesting. Energy is required for transport to processing and retail facilities (i.e., fuel for shipping vehicles), processing, refrigeration, and packaging.⁸ There are also overhead energy demands for heating, cooling, lighting, and other building or operational activities.
- **Food loss & waste:** One-quarter of calories produced annually are either lost before reaching the retail level or wasted at the retail or consumer levels.⁹ When food decomposes, methane and other potent GHGs are released, contributing an estimated 24% of the food sector’s total emissions.¹⁰

Food production is also responsible for other forms of pollution that negatively affect environmental and human health. The concentration of livestock and their wastes, use of synthetic fertilizers and pesticides, tillage, field burning, combustion of fuels, inefficient or “dirty” transportation (i.e., smog from diesel exhaust), and machinery operation, among other practices in agriculture and food processing contribute significantly to poor air quality. Such activities release ozone, aerosols, and small particulate matter (PM₁₀ and PM_{2.5}) in various forms, including dust, nitrogen oxides, ammonia, sulfates, and other volatile organic compounds that, when chronically inhaled, have long-term adverse health effects.¹¹ In particular, air pollution is a major environmental factor associated with cancers, cardiovascular diseases, and premature mortality.¹² Air pollutants adversely impact livestock health and impair photosynthesis, presenting severe risks for food production and security.¹³

If air pollution and climate change continue to intensify, human health and food production worldwide will be severely impacted. Food companies, therefore, have a vested interest and a responsibility to align their business practices with the SDGs and rectify practices along their value chains that contribute to GHG emissions and worsening air quality.



SDG 3 – Good health and well-being

Target 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.



SDG 7 – Affordable and clean energy

Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.

Target 7.3: By 2030, double the global rate of improvement in energy efficiency.



SDG 9 – Industry, innovation and infrastructure

Target 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.



SDG 12 – Responsible consumption and production

Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

Target 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.



SDG 13 – Climate action

Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

Target 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

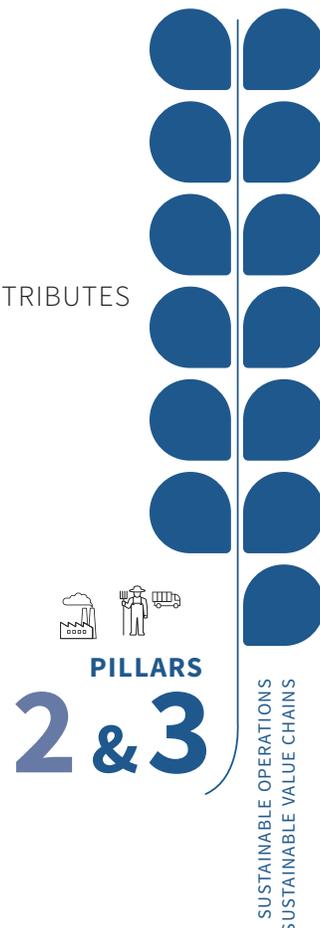


SDG 15 – Life on land

Target 15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.

Target 15.2: By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

SDG-ALIGNMENT: THIS STANDARD CONTRIBUTES TO ACHIEVING THE FOLLOWING SDGS:





STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior level of SDG-aligned companies adopt a policy centered on a public commitment to rapidly reduce GHG emissions in line with the Paris Agreement and the internationally-recognized human rights to food, health, water, a healthy environment, a decent standard of living, and life. This commitment is reflected in every element of company operations and business relationships. The policy:

- Aligns with the most recent climate science (i.e., UNFCCC, IPCC), including a commitment to align business practices with achieving the lowest GHG emission scenarios (i.e., SSP1-1.9 or SSP1-2.6) and pathways that limit global warming to less than 1.5°C.¹⁴
- Aligns with the *WHO Global Air Quality Guidelines* for acceptable air quality levels, best practices for managing pollutants, and reduction efforts.¹⁵
- Encompasses all products produced by the company and reflects quantitative net-zero GHG emissions ambitions for Scope 1, 2, and 3 emissions (both direct and indirect).
- Prioritizes aggressive emissions reductions followed by neutralizing remaining emissions that are hard to abate, and states that where offsets are used, they are verified and have safeguards in place to respect the rights of Indigenous communities, small-scale farmers, and local communities.

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Communicate expectations for implementing the policy internally and externally to the workforce, shareholders, subsidiaries' governing bodies, and business relationships.
- Integrate the policy into contracts and other agreements with suppliers, transport and delivery partners, clients, other business relationships in the value chain, and partnerships within and beyond the food sector.¹⁶
- Use their leverage at all points along the value chain to align agricultural, transport, and production practices with the standard.
- Integrate the policy into the procurement and responsible sourcing policies.
- Integrate the policy into by-laws and other governance documents (i.e., Code of Conduct, Code of Ethics) and management procedures.¹⁷

2. ASSESS ACTUAL & POTENTIAL IMPACTS

SDG-aligned companies identify and assess sources of GHG emissions and air pollutants across their operations and value chains. Specifically, the companies consider both direct and indirect emissions, categorized as Scope 1, 2, or 3 emissions per *The Greenhouse Gas (GHG) Protocol*:¹⁸

- **Scope 1** covers direct emissions from owned or controlled sources, including heating and cooling systems, chemical processing, vehicles, venting, and other equipment.
- **Scope 2** covers indirect emissions from the generation of purchased electricity, heat, and steam consumed by the reporting company.
- **Scope 3** includes all other indirect emissions resulting from company and value chain activities, including emissions associated with inputs (i.e., raw ingredients), transportation of goods to and from company facilities by other actors, investments, and waste disposal.¹⁹ Measuring this scope is especially important because often, most company emissions stem from sources outside of its direct control or its main revenue-generating activities.²⁰

In order to systematically assess GHG emissions and air pollution on an ongoing basis within the company's operations and value chain, as well as establish baseline metrics, SDG-aligned companies:

- **Evaluate how business models and common business practices incentivize or facilitate energy inefficiency, excess GHG emissions, and/or air pollution.** In particular, companies assess how decisions to maximize profits or realize financial gains may be at odds with their commitment to mitigate climate change and air quality issues (e.g., bypassing efficiency upgrades or retrofits for machinery, continuing to purchase electricity from cheaper, fossil-fuel sources).
- **Employ qualified and credible experts** to aid in identifying areas of prioritization to rapidly reduce emissions and pollution.
- **Cooperate at a sector-wide and, where relevant, cross-sectoral level with governments, workers, international organizations, civil society organizations, and other stakeholders** operating on the ground to conduct the comprehensive assessments outlined below and to identify high emissions activities and areas that are at risk for air quality-related health impacts.
- **Engage with affected stakeholders and consider human rights impacts related to climate change and local air pollution**, as well as those that accompany decarbonization and offset strategies, as highlighted by 'just transition' principles.²¹

- **Conduct initial, regular, and ongoing comprehensive assessments of practices along the value chain that contribute to GHG emissions and air pollution.** In particular, companies assess:
 - **Energy use and sourcing for all value chain activities**, specifying sources of energy (i.e., fossil fuels, wind, solar), quantities, and estimated GHG and air pollution contributions.
 - **The efficiency of company and value chain facilities and equipment**, including whether the most energy-efficient and clean equipment models, practices, and technologies are being used. The scope of this step includes, but is not limited to all value chains:
 - Vehicles, farm machinery, and processing machinery.
 - Building fixtures, heating/cooling systems, and lighting.
 - Processing steps (e.g., heat processing, chilling, packing) and post-production steps (e.g., cleaning, gas flushing).
 - **Product lines, including conducting life cycle assessments (LCAs)** to calculate carbon footprints for each product.²² SDG-aligned companies then identify “hotspots” in its product lines that may be opportunities for intervention, especially:
 - **Products comprised of a high proportion of animal-based ingredients**, especially beef, and dairy, which emit disproportional amounts of methane and are energy inefficient compared to other plant and animal-based foods.²³
 - **Ingredients or final products that involve energy-intensive processes** such as blast freezing or extensive cold storage.²⁴
 - **Products with high ‘food mile’ totals**, especially those that require specialized, energy-intensive transport such as refrigerated trucking or air freight.^b
 - **Packaging** that is energy-intensive to produce (e.g., plastics) or results in deforestation.
- **Agricultural practices**, including:
 - **Deforestation, tillage, and other land-use changes** that disturb and/or remove natural carbon sinks (i.e., soil, trees, perennial grasses), releasing carbon and reducing global carbon sequestration potential.
 - **Synthetic fertilizer and pesticide use** as these agrochemicals are energy-intensive to produce (i.e., require the burning of large quantities of fossil fuels), can release potent GHGs once applied (i.e., nitrogen-based fertilizers convert readily to nitrous oxides),²⁵ and contribute significantly to air pollution through their conversion to aerosols.²⁶
 - **Livestock production and waste management practices**,²⁷ including (1) feed compositions, additives, and efficiency; (2) grazing practices and their impact on soil integrity (i.e., degrade or enhance); (3) composting, covers, additives, digestors, or other manure management practices that impact methane and carbon emissions; (4) any feedlot, building filtration, landscaping, or dietary interventions employed to reduce dust and particulate emissions.²⁸
 - **Rice cultivation methods** as certain methods, especially the common practice of seasonally flooding paddies, result in anaerobic bacterial production of methane.²⁹

b. ‘Food miles’ is a term that refers to the total distance a product travels to reach its final destination; longer distances result in higher GHG emissions due to fuel consumption for transport and, if applicable, refrigeration. Companies consider food miles in the context of other trade-offs such as production emissions and transport type. For example, produce shipped by sea may have a lower carbon footprint than more local produce that requires production in heated greenhouses during colder months. (Source: Christopher L. Weber and H. Scott Matthews, “Food-Miles and the Relative Climate Impacts of Food Choices in the United States,” *Environmental Science & Technology* 42, no. 10 (2008), <https://pubs.acs.org/doi/10.1021/es702969f>.)



3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their comprehensive assessment of GHG emissions and air pollution outlined in Step 2 into business decisions, processes, and functions by **settings targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific, time-bound near- and long-term targets to rapidly reduce GHG emissions and mitigate air pollution that are ambitious enough to contribute significantly to the SDGs' achievement and to the Paris Climate Agreement. To meet the standard and in alignment with company policy commitments outlined in Step 1:

- Near-term targets meet or exceed the 45% GHG emissions reduction from 2010 baselines by 2030 in alignment with acceptable (i.e., low emissions) IPCC trajectories. These targets are relevant for the company to monitor its continuous improvement and that of its business relationships towards meeting the standard.
- Long-term targets meet or exceed (i.e., achieve negative emissions) net-zero GHG emissions by 2050.

These targets are tailored to the business activities of the companies and are based on their assessment of actual and potential contributions to GHG emissions and air pollution. The following are some examples of performance indicators to track progress over time:

- By 2030, reduce emissions across Scopes 1, 2, and 3 by 50% from a 2019-2022 baseline.
- By 2030, reduce mean product carbon footprint by 15%.
- By 2030, source all rice from suppliers using low GHG practices (e.g., AWD).
- By 2030, source all beef from suppliers who have implemented optimal manure management practices.
- By 2030, 1% or less of agricultural expansion is a product of natural (i.e., virgin) land conversion.

3.2. TAKE ACTION

Where an SDG-aligned company identifies activities in its own operations that contribute to GHG emissions and air pollution, it takes appropriate and swift action to cease, prevent, and mitigate such emissions and their impacts. Where the company identifies GHG emissions or air pollution in its value chain, it uses and increases its leverage to prevent, mitigate, and remediate these risks.

In all instances, SDG-aligned companies address emissions in a hierarchical manner, prioritizing mitigation of the most environmentally

detrimental activities in its own operations and value chain. Only once reduction options have been exhausted do they employ neutralization strategies (i.e., offsets) for remaining emissions.

Depending on assessment findings, measures to align practices with the standard could include:

- **Modifying business models** where they incentivize GHG emissions and in order to deter emissions or pollution.
- **Modifying product lines and altering product formulations** to reduce or substitute ingredients or commodities with high-GHG footprints (e.g., offering plant-based protein products,³⁰ replacing rice with other regenerative or perennial grains like sorghum or Kernza™³¹).
- **Reducing or, wherever possible, eliminate packaging** that is unnecessary (i.e., secondary packaging such as cardboard boxes around bags food is contained in) or that has the greatest environmental impact on emissions (i.e., plastics which create significant GHG emissions and air pollutants,³² virgin paper that promotes deforestation and loss of natural carbon sinks).
- **Implementing higher technology & efficiency standards** along the value chain to reduce GHG emissions and air pollution from agriculture, deforestation, and other activities (e.g., by upgrading machinery to the most energy-efficient models; installing air filtration systems or industrial scrubbers³³).
- **Transitioning to renewable energy** where it is required for on-farm production, transport, processing, and other activities along value chains. SDG-aligned companies prioritize and finance electrification and the utilization of clean and renewable energy sources (e.g., wind, solar, geothermal).
- **Using leverage among and support suppliers, producers, and other business relationships** to reduce emissions of GHGs, mitigate climate change (e.g., preserve carbon sinks), reduce air pollution, and take other measures to align with the standard. Specific areas of focus to use leverage include:
 - **Livestock production and waste management**, including optimizing:³⁴
 - Dietary composition, digestibility, and additives that can reduce methane production and particulate matter from manure.
 - Grazing patterns to conserve soil integrity and reduce dust formation.
 - Feedlot moisture to reduce dust formation.
 - Manure management including utilizing additives, composting methods, synthetic or biocovers, aeration, and anaerobic digestors to manage GHG formation and pollutants.

- **Reducing agrochemical use and adopting agroecological and sustainable agricultural practices** outlined in the Agrochemicals and Sustainable Agriculture standard.
- **Eliminating burning of biomass**, including open-field burning of crop residues.³⁵
- **Soil management**, including transitioning to:
 - Low or no-till practices.
 - Planting, including cover cropping with perennials and other varieties with high biosequestration potentials and that prevent soil disturbance.
- **Rice cultivation**: Transition from traditional flooding practices to mid-season draining, alternate wetting, and drying (AWD), dry seeding, or aerobic systems that continuously promote soil drainage.³⁶
- **Farm machinery**: Optimize fuel efficiency on on-farm machinery and support suppliers and producers in transitioning, when available, to electrified models.
- **Limiting agricultural expansion & deforestation** directly or by using leverage to influence suppliers and other business relationships. SDG-aligned companies halt deforestation and ensure any already-deforested land either remain in production, is regenerated to productive capacity, or is reforested. SDG-aligned companies require adherence to this aspect of the standard through contractual terms, which can include time-bound requirements for the acquisition of climate and conservation-related certifications. However, due to large discrepancies in governance, transparency & traceability requirements, auditing schedules, and requirement stringency between certifications,³⁷ the companies do not rely solely on certifications to ensure climate change mitigation in their value chain and enforce contract terms through independent, third-party audits.
- **Building capacity among suppliers, producers, and other business relationships** to transition production practices, technologies, including those outlined above, through efforts such as:
 - **Financial incentives and benefit schemes**: Examples include the provision of:
 - Compensation for land sparing (e.g., protecting forest land)
 - Financing the purchase of equipment or installation of sustainable technologies
 - Crop insurance or direct payments for transitioning practices and varieties
 - **Provision of contractual incentives** (i.e., sourcing commitments, longer contracts) to produce perennial crops and crops with enhanced biosequestration potentials (e.g., legumes)
 - **Provision of technical support, consulting services, education, and training** to help adapt production methods
 - **Responsibly disengage from business relationships** where negative impacts on climate or excessive air pollution cannot be or are not being prevented or mitigated
 - **Offset remaining emissions with verified offsets**: Only once reduction options outlined above are exhausted, SDG-aligned companies offset remaining emissions with verifiable carbon offsets through credible organizations (i.e., offsets following the REDD+ framework or offered by the forthcoming U.S. carbon bank) which safeguard the rights of Indigenous communities, small-scale farmers, and local communities.
 - **Research & development**: Constructively participate in initiatives and invest in research & development to scale practices and drive innovation in climate change and air pollution mitigation.
 - **Multi-stakeholder initiatives**: Use leverage and join industry peers, governments, civil society organizations, international coalitions, certification schemes, and other multi-stakeholder initiatives to encourage industry-wide and food-systems wide change, policy change, and climate and air-protective action.
 - **Engage in climate policy advocacy**: Support, and do not impede, policies that contribute to global decarbonization and emissions reductions that align with the goals of the Paris Agreement³⁸ and promote a just transition.³⁹
 - **Discretionary giving**: Voluntarily support community-led climate change and air quality initiatives at the local, national, and international levels. SDG-aligned companies, however, never utilize discretionary projects to draw public attention away from real or potential climate change or air pollution threats connected to their business practices or divert attention from damage done in other areas of their operations.



4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

SDG-aligned companies establish effective grievance mechanisms that are accessible to stakeholders to report local air pollution and related impacts (e.g., respiratory illnesses) resultant from company or value chain activities, and to report any harmful activities related to their commitment to climate change and air pollution mitigation (e.g., underreporting of emissions, continued use of inefficient machinery or fossil fuel by value chain actors despite commitments or contractual agreements not to). The grievance mechanisms evaluate violations of the standard and determine the appropriate remedy for impacts on communities and ecosystems.

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies participate in legitimate public grievance mechanisms and sanctions regimes for their involvement in harm caused. Where State-based mechanisms order sanctions or remedy, the companies comply and use leverage to ensure their business relationships comply.

4.3. PROVIDE OR ENABLE REMEDY

When SDG-aligned companies identify that they have, even inadvertently, caused or contributed to adverse air quality or have not upheld commitments to align with the standard across their operations and value chains, they acknowledge their part in the harm done and provide for or cooperate in their remediation through legitimate processes.

Any measures to provide, contribute to or enable remedy is designed through expert consultation and, if applicable, in partnership with those impacted by poor air quality resultant from company activities. Remedy for air quality impacts may include providing financial compensation for medical costs incurred by those afflicted with respiratory and other illnesses stemming from air quality issues attributable to company and value chain activities; funding health programs (e.g., respiratory health screenings), or indoor filtration device provision across affected communities, especially for vulnerable populations such as children and the elderly.

Remedy for the failure to implement GHG reduction measures in alignment with the standard may include actively carrying out, supporting, and financing natural ecosystem restoration (e.g., reforestation efforts) and funding climate adaptation and resilience schemes that help the most vulnerable populations prepare and respond to impacts of climate change through planning measures and infrastructure improvements. Such efforts are undertaken in collaboration with local governments and communities, including Indigenous and farmer communities.

5. TRACK PERFORMANCE

SDG-aligned companies track the implementation of measures to meet the standard within its target dates through qualitative and/or quantitative outcome-based performance indicators on an ongoing basis and in partnership with qualified independent professionals, suppliers, government institutions, civil society organizations, and other relevant stakeholders. The following are some examples of performance indicators to track implementation of measures to mitigate emissions and impacts on climate change impacts and air quality:

- Aggregate Scope 1, Scope 2, and Scope 3 GHG emissions, including a breakdown of significant areas or activities in the value chain that contribute to total emissions
- Percentage change in GHG emissions relative to production^c
- Percentage of total energy use from renewable sources in company operations and the entire value chain
- Percentage of machinery or vehicles electrified or upgraded to the most energy-efficient models
- Over the past year, the percentage of agricultural land (1) that was stable, (2) that shifted to natural land, and (3) that grew from conversion of natural land.
- Absolute change in agricultural land area (i.e., increase or decrease in agricultural footprint)
- Total change in forest land in relevant areas that is regenerated or restored
- Trends in Soil Organic Matter (SOM), which can indicate a change in carbon sequestered in soils
- Percentage of beef sourced from suppliers who have optimized manure management practices as assessed by experts
- Percentage of total agricultural land in the value chain under no-till practices
- Percentage change in agrochemical quantity used by suppliers
- Percentage of rice suppliers who have eliminated seasonal flooding and transitioned to alternatives (e.g., AWD)
- Percentage of food that is lost along the value chain up until retail stages
- Percentage change in the average carbon footprint of product sold
- Percentage of sales from products in lowest/highest quartile of carbon footprints of the product suite

^c Companies track emissions relative to their production as a complementary metric to aggregate emissions to account for the direct relationship between production and emissions; without doing so, a reduction in emissions could stem from a decrease in production rather than progress.

6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their climate change and air quality commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts on climate change and air quality in their operations and value chain, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:

- **Findings of the GHG emissions and air pollution assessment**, including specific climate change and air pollution risks and impacts within its own operations and value chain.
- **Methods used to assess operations and business relationships** to identify and measure climate change and air pollution risks and impacts.
- **Measures the company took during the reporting period to prevent, mitigate, and, where possible, remedy impacts on climate change and air pollution** in its operations and value chain. This includes information on energy use and sourcing changes, equipment and machinery upgrades, sourcing, product lines, production practices, land use and occupancy, supplier capacity building, advocacy efforts, and investments.
- **Any measures undertaken in partnership with industry partners, civil society organizations, multi-stakeholder groups, governments, and other stakeholders** to address global GHG emissions, climate change, and air quality issues in the food sector or beyond (e.g., policy change advocacy, carbon sequestration schemes).
- **Progress on relevant performance indicators, even when progress is not as good as expected and the targets set are not met.** When a company fails to meet its own targets, it discloses key learnings and delineates how it is modifying its strategy and efforts to still achieve intermediate and long-term targets to minimize emissions and air pollution in its own operations and value chain and align with global emissions reductions trajectories (i.e., IPCC trajectories).
- **Any instances where air pollution or severely harmful practices regarding emissions were identified** in company operations or value chain, specifying the geographic location where the instance occurred, contributing activities and actors, the extent of damage done to the affected ecosystem and surrounding communities (if identifiable),⁴⁰ how the instance was identified, and steps taken to both remedy the instance and prevent further such instances from occurring.



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7

BIODIVERSITY

STANDARD



PILLARS 2 & 3
SUSTAINABLE
OPERATIONS &
VALUE CHAINS



Commitment

Prevent negative impacts on biodiversity and protect, restore, and promote natural ecosystems throughout the company's operations and value chain.

Palm plantation in Hawaii.
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Societal peace and human well-being are dependent on the planet's ecosystems^a and, therefore, on the preservation of biodiversity.¹ Many cultures derive value and meaning from native species, and surrounding ecosystems are central to their everyday life. At the same time, biodiversity is extremely vulnerable to human activity, including deforestation and industrial development. As a result, more than a quarter of Earth's species are now threatened with extinction and natural ecosystems, especially global forests, are declining rapidly.² The

livelihoods of small-scale producers and Indigenous and local communities are also threatened by deforestation, while those who defend their land rights often face intimidation and violence. For these reasons, the SDGs include targets aimed at mitigating and remedying biodiversity loss,^b including the impacts of and threats to food production.

- a. Ecosystem services are the beneficial functions that ecosystems provide for humans including provision of food and clean water, leisure and spiritual benefits, protection against climate, and provision of other materials that societies are built upon. FAO. (Source: "Ecosystem Services & Biodiversity (ESB)," Food and Agriculture Organization of the United Nations, accessed May 26, 2021, <http://www.fao.org/ecosystem-services-biodiversity/en/>.)
- b. Biodiversity loss is the loss of "the variability that exists among living organisms (both within and between species) and the ecosystems of which they are part." (Source: Food and Agriculture Organization of the United Nations and Food and Agriculture Organization of the United Nations, "The State of the World's Biodiversity for Food and Agriculture" (Food and Agriculture Organization of the United Nations, 2019).)



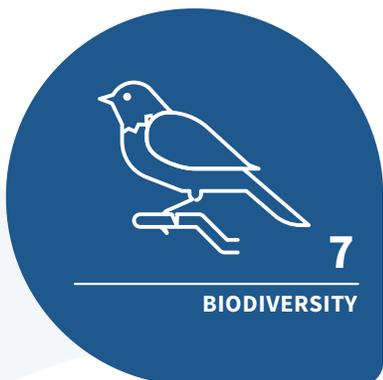
Food production, especially its agricultural components, continues to be the largest contributor to biodiversity loss since the Industrial Revolution.³ In particular, land-based agriculture's expansion, intensification, and homogenization along with increasing pressures on marine-based food sources continue to be major drivers of accelerating biodiversity loss within the food sector.⁴ With the rapid growth in the global population in the past century, it has been necessary to increase yields and harvests in order to feed the world. Yet, the practices used to produce food are unsustainable, overexploit natural resources, and render food systems increasingly vulnerable to ecological shocks.⁵ Some of these practices include:

- Clearing land (i.e., deforestation) and land-use changes that contribute to habitat degradation or destruction that subsequently threatens species' survival.⁶
- Indiscriminate application of agrochemicals and practices that erode soil health including tilling and monoculture^c cultivation. These practices lead to greatly reduced numbers of pollinators and beneficial arthropods that contribute to healthy soil structure and fertility, disrupted soil microbial balance, and reduced ecosystem species richness.^d Monoculture cultivation also directly causes a loss of genetic diversity in plants themselves. All of these place food production systems at greater risk of crop disease and failure.⁷
- Introduction of invasive species through deliberate or inadvertent introduction (i.e., foreign fish species escaping aquaculture nets) that lead to competition with native species for resources and disruption of delicate ecological balances.⁸
- Generation of pollutants at all levels (i.e., on-farm, processing, transport, etc.) that damage wildlife and ecosystem health.⁹
- Agrochemical runoff and livestock waste that causes eutrophication and subsequent acidification of marine waters, disrupting fish and bivalve populations and threatening global fish harvests.
- Overfishing, especially of large, predatory, and keystone species,^e and non-discriminatory fishing practices (e.g., trawling, purse seines) that contribute to unnecessary by-catch and additional pressures on marine ecosystems.¹⁰

Food systems depend on a complex, interconnected web of ecosystem services such as invertebrate-driven pollination, soil microbial activity, control of pests by beneficial species, and habitat provision (i.e., coral habitat for fished species). Disruption of these integral services has already occurred and will worsen if biodiversity loss persists, threatening global food systems and value chain stability.¹¹ Food companies, therefore, do not only contribute to the degradation of the planet's ecosystems but also suffer as a result of the impacts biodiversity losses have on global food systems.

Food companies have a responsibility to align their business practices with the SDGs to prevent, eliminate, and reverse biodiversity loss caused through both the direct and indirect impacts of their operations. As companies produce or source their products, ingredients, and other raw materials (i.e., packaging materials), they can ensure their business activities align with the SDGs, and use their leverage to influence the practices of others in their value chains.

- c. Monocultures are large agricultural areas where only one crop is grown, creating a homogenous landscape less hospitable to diverse ecosystems and species richness. (Source: A.J. Wright et al., "Stress Gradients and Biodiversity: Monoculture Vulnerability Drives Stronger Biodiversity Effects during Drought Years," accessed May 24, 2021, <https://doi.org/10.1002/ecy.3193>.)
- d. Different species require unique habitat qualities and even the same species may require different habitat qualities to survive (i.e., habit for nesting v. habitat for foraging/hunting). (Source: Tim G. Benton, Juliet A. Vickery, and Jeremy D. Wilson, Farmland Biodiversity: Is Habitat Heterogeneity the Key? Trends in Ecology and Evolution, 2003.)
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SDG-ALIGNMENT: THIS STANDARD CONTRIBUTES TO ACHIEVING THE FOLLOWING SDGS:



SDG 2 – Zero hunger

Target 2.5: By 2020, maintain the genetic diversity of seeds, cultivated plants, and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional, and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed.



SDG 12 – Responsible consumption and production

Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.



SDG 13 – Climate action

Target 13.3: Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.



SDG 15 – Life on land

Target 15.1: By 2020, ensure the conservation, restoration, and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains, and drylands, in line with obligations under international agreements.

Target 15.2: By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

Target 15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

Target 15.8: By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species.

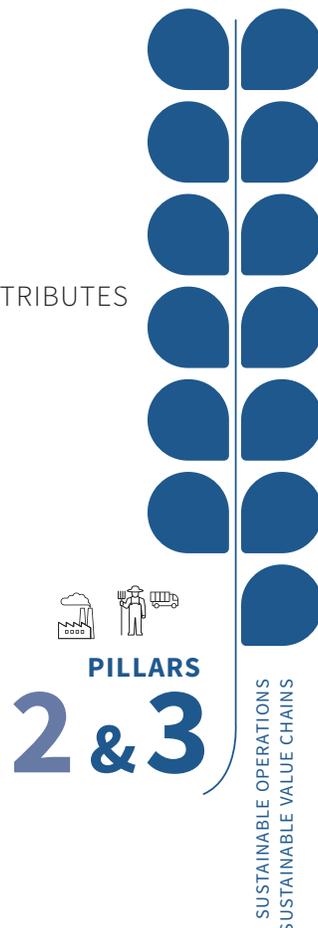
Target 15.a: Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.



SDG 14 – Life below water

Target 14.2: By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and taking action for their restoration in order to achieve healthy and productive oceans.

Target 14.4: By 2020, effectively regulate harvesting and end overfishing, illegal, unreported, and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics.





STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior level of SDG-aligned companies adopt a policy aligned with their public commitment to protect biodiversity and respect the internationally-recognized rights to food, health, water, land, a healthy environment, and life, and the rights of Indigenous peoples, peasants, and communities in their operations and business relationships. The policy:

- Aligns with and references and references the United Nations Convention on Biological Diversity.

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Communicate expectations for implementing the policy internally and externally to the company's workforce, shareholders, subsidiaries' governing bodies, and business relationships.
- Integrate the policy into the company's procurement policy, responsible sourcing policy, contract terms with suppliers, and other business relationships in the value chain.
- Integrate the policy into by-laws and other governance documents (i.e., Code of Conduct, Code of Ethics).
- Ensure their business practices and the incentives they create do not contradict the policy in form or substance.

2. ASSESS ACTUAL & POTENTIAL IMPACTS

SDG-aligned companies identify and assess actual and potential adverse impacts on biodiversity in their operations and value chains. In order to systematically assess such impacts on an ongoing basis, SDG-aligned companies:

- **Evaluate how business decisions and practices, including sourcing, transportation, packaging, product lines, and land use (i.e., headquarters, factory locations), contribute to biodiversity loss or threaten ecosystems.** In particular, companies assess how decisions to maximize profits or realize financial gains (e.g., encouraging the continued homogenization of agricultural land by maintaining existing product portfolios that focus heavily on corn, soy, and other

major commodity crops; encouraging the expansion of agricultural land by undercompensating producers) may be at odds with their commitment to protecting biodiversity.

- **Conduct initial and regular, ongoing comprehensive assessments to:**
 - **Identify activities in their operations and value chains that pose threats to biodiversity** including, but not limited to:
 - **Generation of effluents, solid waste, and emissions** that lead to degradation of water, soil, and air quality. Pollutants may result from on-farm or processing activities that lead to leaching, runoff, particulate matter generation, etc.¹²
 - **Agrochemical use**, especially when excessive or indiscriminate, that directly harms or is toxic to species, including beneficial pollinators.¹³
 - **Changes in landscape, land use, or occupancy** including expansion of agricultural footprints (i.e., clearing land), deforestation, and homogenization of farmland resulting in habitat loss or degradation.¹⁴
 - **Promotion of monocultures & resource-intensive foods^f** (i.e., through ingredient and/or supplier choice) that lead to genetic pollution or loss in plant biodiversity and/ or increased environmental pressure.
 - **Activities causing soil erosion or fertility loss and subsequent loss of soil microbial diversity** including agrochemical use, disruptive planting and harvesting practices (e.g., tilling), overgrazing, and inappropriate irrigation practices (e.g., inadequate irrigation, utilization of brackish water).¹⁵
 - **Introduction of invasive species and/or the exploitation, harassment, or direct mortality of native species** that result in detrimental developmental, reproductive, population size, or stability impacts on species. Examples of contributing activities include transportation of invasive species and inadequate quality control of equipment (i.e., aquaculture net failure) or imported goods (i.e., poor inspection practices).

f. Resource-intensive foods include animal foods (i.e., cattle, lamb), some vegetable oils (e.g., palm oil), and ultra-processed foods. Animal foods contribute significantly to increased environmental pressure and habitat loss when natural land is converted to agricultural land in order to increase feed crop (grain) production. When unregulated, palm oil contributes to deforestation in tropical areas with disproportionately high levels of biodiversity (e.g., the Amazon). Ultra-processed foods typically rely on intensive monocultures and inclusion of a limited number of commodity ingredients in large quantities, further increasing agriculture's environmental pressures and footprint. (Source: "Food System Impacts on Biodiversity Loss," Chatham House – International Affairs Think Tank, February 3, 2021, <https://www.chathamhouse.org/2021/02/food-system-impacts-biodiversity-loss>.)

- **Overexploitation^g of natural resources and non-discriminatory harvesting practices** including illegal, unreported, and unregulated (IUU) fishing;¹⁶ generation of by-catch; and overuse of forest, land, and water resources.¹⁷
- **Identify actual and potential negative impacts on biodiversity** and their specific consequences with regard to the health of both quantitative (e.g., species composition and counts) and qualitative (e.g., tree density, habitat suitability) aspects of ecosystem health, such as:
 - **Species composition & health:** includes insect sample collection to assess pollinator and other invertebrate population change, count of birds and other indicator species,^h soil sample collection to assess microbial diversity, tracking percent change of invasive species.
 - **Ecosystem conditions:** includes water, soil, air quality, and structural diversity (i.e., density of tree species, canopy structure)¹⁸ analysis.
- **Engage with affected stakeholders, including Indigenous and local communities, and qualified and credible experts to help conduct assessments** and ensure they are as comprehensive and accurate as possible. This engagement also aids in the identification of affected areas most vulnerable to imminent biodiversity loss and help the company develop targeted, prioritized, and appropriate measures to protect and restore those ecosystems.
- **Utilize established, systematic frameworks (e.g., life cycle assessment), indices, and scenario-modeling tools¹⁹** to assess their current impacts on biodiversity and evaluate potential opportunities to mitigate them and restore ecosystems.

g. Overexploitation is defined as “the exploitation of wildlife and ecosystems at a rate that exceeds their capacity for regeneration.” (Source: Matthieu IUCN French Committee, “Corporate Biodiversity Reporting and Indicators. Situation Analysis and Recommendations.” (Paris, France, September 2014).)

h. Indicator species are organisms particularly sensitive to environmental conditions and whose presence generally indicates ecosystem health in one or more attributes. (Source: Ahmed A.H. Siddig et al., “How Do Ecologists Select and Use Indicator Species to Monitor Ecological Change? Insights from 14 Years of Publication in *Ecological Indicators*,” *Ecological Indicators* 60 (January 2016): 223–30, <https://doi.org/10.1016/j.ecolind.2015.06.036>.)

3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their comprehensive assessments of biodiversity risks and impacts in their operations and value chain outlined in **Step 2** into their business decisions, processes, and functions by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific, time-bound intermediate and long-term targets to prevent, eliminate, and reverse biodiversity loss that are ambitious enough to contribute significantly to the SDGs’ achievement, particularly SDG 12, SDG 13, SDG 14, and SDG 15. The intermediate targets are relevant for the companies to monitor their continuous improvement and that of their business relationships towards meeting the standard. These targets are tailored to the business activities and relationships of the companies, and are based on assessments of actual and potential impacts on biodiversity loss, but are broadly aimed at eliminating threats to biodiversity and supporting ecosystems, including restoring those already degraded by company activities. The following are some examples of performance indicators to track progress over time:

- By 2025, 50% of agricultural land in the company’s value chain is managed with regenerative practices
- By 2030, 5% of farmland is set aside for biodiversity protection
- By 2030, 100% of suppliers utilize discriminatory fishing practices (i.e., to reduce by-catch)
- By 2025, 20% of sourcing is from suppliers participating in biodiversity-related assistance programs
- By 2030, the genetic diversity of products has doubled
- By 2025, 100% of fiber-based packaging is from recycled or sustainably managed sources

3.2. TAKE ACTION

Where an SDG-aligned company identifies actual or potential impacts on biodiversity in the context of their operations and value chain it takes appropriate and swift action to cease them to align with the standard. Where SDG-aligned companies identify threats to or damage to biodiversity in their operations, they take the necessary steps to prevent, mitigate, and/or restore biodiversity. Where they identify threats or harms to biodiversity in their value chain, they address the ways in which they might incentivize negative impacts on biodiversity within their value chain and use their leverage to prevent, mitigate, and/or restore biodiversity.



Importantly, SDG-aligned companies prioritize biodiversity preservation and avoid justifying or compensating for activities in their operations or value chain that lead to biodiversity loss by implementing restorative activities (e.g., planting trees to compensate for deforestation). While restoration is important, preserving existing ecosystems has a much higher impact potential with regard to carbon sequestration and climate change mitigation.²⁰ Additionally, the biodiversity losses of ecosystem destruction are not easily reversed or are irreversible in some contexts, even if aggressive ecosystem restoration is undertaken.²¹

Depending on the specific impacts on biodiversity and based on a company's sub-sector, region, suppliers, commodity needs, and other parameters, measures to address actual or potential negative impacts on biodiversity could include:

- **Adopting biodiversity-aligned production practices** in operations, and choosing suppliers who have already adopted them or support suppliers in adopting them. Such practices include:
 - **Land-based agriculture:** To protect biodiversity when producing crops or land-based animal foods, the companies' operations or suppliers employ three main levers:²²
 - **Protection of land for biodiversity** through land-sparing (i.e., non-farmed margins and portions of land on farms set aside for biodiversity) or land-sharing (i.e., integrated landscape approaches).²³ SDG-aligned companies cease and use their leverage with suppliers to prevent the unnecessary expansion of agricultural land area,²⁴ including through closing yield gaps using sustainable agriculture practices and through employing strategies to reduce food loss and thus, maximize the productivity of existing agricultural lands. Also includes the provision of key pollinator habitat requirements including food and shelter opportunities (e.g., flowering plants in otherwise fallow fields, snags, and logs, bee pastures with bolted or cover crops, bee blocks, hedgerows, and field, and road borders).²⁵
 - **Biodiversity-supporting production practices** including sustainable intensification methods that maintain yields or productivity while achieving sustainability gains, such as agroforestry, regenerative farming practices, and managed or mob-grazing.²⁶ Also included are Natural Pest Control & Integrated Pest Management (IPM) strategiesⁱ that work to first prevent pests through methods such as crop choice and rotation, followed by pest control through methods such as pheromones, mechanical control (e.g., trapping), and highly targeted pesticide

application.²⁷ Another set of important practices are those dedicated to soil preservation, such as the avoidance of tilling, usage of appropriate irrigation practices, planting of deep-rooted perennials or cover crops.²⁸ Lastly, the planting of polycultures instead of homogenous monocultures to provide heterogeneous landscapes conducive to ecosystem species richness and preserve genetic diversity.²⁹

- **Minimization of agrochemical use & waste** to prevent microbial diversity loss and downstream impacts on water, soil, or air quality that degrade ecosystems.
- **Fishing & Aquaculture:**
 - **Adopting sustainable fishing practices**, including by complying with annual and seasonal limits on species,³⁰ and only purchase from suppliers with these same practices. To prevent overfishing, companies harvest and use their leverage in their value chain to promote harvesting within maximum sustainable yields.^k
 - **Prevent invasive species spread** by ensuring their operations and actors in their value chain have stringent quality control practices for aquaculture (e.g., regular inspection of net integrity when using non-native species) and for transportation via marine pathways (e.g., prevention of hull fouling).³¹
 - **Prevent by-catch of non-target species** by avoiding non-discriminatory harvesting practices including trawling, purse seines, and gillnets in their operations and value chain. In place of these methods, alternative gear such as circular hooks, tow-line methods, and traps/pots is used, provided, or incentivized.³²

i. Integrated landscape approaches are “frameworks for integrating multiple land uses within a given area, aimed at maintaining biodiversity, ecosystem services, and feedback between the two to ultimately benefit humans.” This approach increases heterogeneity of landscapes, improves habitat corridors, and typically increases crop variety. (Source: “Food System Impacts on Biodiversity Loss,” Chatham House – International Affairs Think Tank, February 3, 2021, <https://www.chathamhouse.org/2021/02/food-system-impacts-biodiversity-loss>.)

j. It is estimated that for some highly toxic and long-lasting pesticides, natural and chemical-free pest-control alternatives exist in the vast majority of cases. For example, in 78% of the use cases of neonicotinoids (a pesticide highly toxic to bees and pollinators), a non-chemical alternative can be utilized to effectively control the target pests. (Source: Hervé Jactel et al., “Alternatives to Neonicotinoids,” *Environment International* 129 (2019): 423–29.)

k. Maximum sustainable yield is defined as “the highest possible annual catch [for a given species] that can be sustained over time by keeping the stock at the level producing maximum growth.” (Source: WWF (2011), “Common Fisheries Policy Reform: Getting MSY Right,” accessed May 25, 2021, http://awsassets.panda.org/downloads/wwf_msy_oct2011_final.pdf.)

- **Product lines:** When product lines are in conflict with commitments to biodiversity, product lines are modified to reduce or substitute resource-intensive foods (e.g., offering plant-based protein products, replacing palm oil in products with other liquid oils) to align with biodiversity targets. Where possible, companies also work to design and develop products that create a market for diverse crops and incorporate underutilized varieties and species (e.g., heritage grains, underutilized fish species³³).
- **Packaging:** Take steps to reduce the impacts of packaging material choice on biodiversity, especially deforestation, aquatic pollution, and harm to animals that mistake it for food. If utilizing fiber (e.g., paper, fiber pulp) packaging, companies attempt to use as large a portion as is possible from recycled sources followed by managed forests. Avoid sourcing virgin fibers or sourcing from areas where deforestation is actively occurring and/or forests are unmanaged.³⁴ Where products require packaging properties such as moisture and oxygen barriers or transparency that are traditionally met through utilizing conventional plastics, SDG-aligned companies redesign their packaging to employ appropriate alternatives such as protein-based biofilms³⁵ and durable bioplastics³⁶ or attempt to greatly reduce plastic packaging through innovative design (e.g., rigid paper bottles lined with a thin layer of recyclable plastic³⁷).
- **Engagement with suppliers, producers, and communities:**
 - **Supplier engagement, contract terms, & certification:** Communicate biodiversity protection and restoration expectations to suppliers, including by integrating them in contract terms. Depending on sub-sector, region, and commodities, this may include requiring the time-bound acquisition of biodiversity-related certifications. However, due to large discrepancies in governance, transparency & traceability requirements, auditing schedules, and stringency between certifications,³⁸ SDG-aligned companies do not rely solely on them to ensure biodiversity protection in their value chain and track alignment with biodiversity expectations through independent, third-party assessments that include engagement with local communities.
 - **Capacity building & support:** Actively build capacity among suppliers and other business relationships, especially among smallholder farms and small-scale operations, to protect biodiversity, and provide financial and technical support to adopt biodiversity-protective practices. Specific efforts to build capacity and support suppliers include:
 - Incentives and benefit schemes
 - Compensation for the cost of conserving land for biodiversity or cover crop planting
 - Provision of coaching or consulting services to help adapt production methods to align with biodiversity targets. This is done in partnership with well-established extension programs where they exist, or by providing alternatives to help producers meet biodiversity targets in locations where extension programs are underdeveloped or non-existent.
- **Collaboration:** Partner with industry peers, governments, civil society organizations, certification schemes, and multi-stakeholder groups to influence the behavior of value chain actors that are causing negative impacts.
- **Disengagement:** Where a company determines negative impacts on biodiversity caused or contributed to by the business relationship persist because the party will not or cannot prevent or mitigate impacts, the company disengages from the business relationship.
- **Research & development:** Constructively participate in initiatives and invest in research & development to scale biodiversity-promoting practices.
- **Multi-stakeholder initiatives:** Use leverage and join international coalitions (e.g., OP2B,³⁹ Lisbon Declaration⁴⁰) and other multi-stakeholder initiatives to encourage industry-wide or food-systems wide commitment, policy change, and biodiversity-protective action at scale.
- **Discretionary giving:** Support biodiversity-promoting initiatives at the local, national, and international levels (e.g., sponsorship of pollinator corridor preservation projects, social awareness campaigns, fishery rehabilitation) through discretionary spending. SDG-aligned companies, however, never utilize discretionary projects to draw public attention away from real or potential threats to biodiversity in their business practices or to compensate for harm done to biodiversity in their value chains.



4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

SDG-aligned companies establish effective grievance mechanisms that are accessible to stakeholders to report adverse impacts on biodiversity. These mechanisms include processes for reporting grievances regarding the harm done to lands and ecosystems.

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies cooperate with and support legitimate judicial and non-judicial State-based mechanisms to report and adjudicate illegal deforestation and other impacts on biodiversity. Where State-based mechanisms order sanctions or remedy in relation to biodiversity loss, the companies comply and use leverage to ensure their business relationships comply.

4.3. PROVIDE OR ENABLE REMEDY

When the companies identify that they have, even inadvertently, caused or contributed to adverse impacts on biodiversity through their operations or business relationships, they acknowledge their part in the harm done and provide or cooperate in remediation through legitimate processes. When SDG-aligned companies identify that they are directly linked to biodiversity-related impacts in their value chain, they enable remedy. Remedy for biodiversity and deforestation impacts includes actively carrying out, supporting, and financing natural ecosystem restoration in collaboration with suppliers, stakeholders, local governments, and communities, especially Indigenous communities and other local communities disproportionately negatively impacted of biodiversity loss. Any conservation efforts undertaken respect the land, water, and other natural resource rights of Indigenous and other local communities, as laid out in the Resource Rights standard.

- l. Diversified cropping system can include single measures such as cover crops & green manure, diversified crop rotation, reduced tillage, intercropping, agroforestry, structural elements (linear features in the landscape) and / or systems (combined measures) such as conservation agriculture, diversified crop-livestock systems, organic agriculture or others. (Source: Julia Rosa-Schleich et al., “Ecological-Economic Trade-Offs of Diversified Farming Systems – A Review,” *Ecological Economics* 160 (June 1, 2019): 251–63, <https://doi.org/10.1016/j.ecolecon.2019.03.002>.)
- m. In order to meet the standard, the company’s ecosystem restoration activities are undertaken to address pre-existing harms done or in addition to aggressive measures taken to preserve and protect biodiversity. Restoration activities are not used to compensate for destructive activities that negatively impact biodiversity.
- n. Genetic diversity = (genetic diversity of plants or animals found in products/total available genetic diversity per plant or animal). (Source: Matthieu IUCN French Committee, “Corporate Biodiversity Reporting and Indicators. Situation Analysis and Recommendations.” (Paris, France, September 2014).)

5. TRACK PERFORMANCE

SDG-aligned companies track the implementation of actions to meet the standard within their target dates through qualitative and/or quantitative outcome-based performance indicators on an ongoing basis and in partnership with suppliers and other stakeholders in their value chain. SDG-aligned companies also partner with suppliers, multi-stakeholder groups, governments, civil society organizations, academic institutions, and other stakeholders to track and monitor biodiversity in geographic areas relevant to their operations and value chain to evaluate the impact of measures taken on larger-scale ecosystem health. Relevant metrics are similar to those utilized in the initial assessment of biodiversity impacts (see “Species composition & health” and “Ecosystem conditions” under step 2). The following are some examples of performance indicators to track implementation of measures to prevent, mitigate, and restore biodiversity:

- Percentage of agricultural land managed with regenerative practices or diversified cropping systems.¹
- Percentage of agricultural area in “land classes of different habitat quality.”⁴¹
- Absolute change in agricultural land area (i.e., increase or decrease in agricultural footprint).
- Percentage of land set aside for biodiversity protection (i.e., land-sparing) or utilized in an integrated landscape approach (i.e., land-sharing).
- Percentage of ecosystem restored^m or being restored by company’s efforts.⁴²
- Percentage of utilized forest under sustainable management (i.e., agroforestry).
- Percentage of suppliers solely using discriminatory fishing practices.
- Percentage of fish caught from stocks under sustainable management (i.e., stocks that are stable and fished at their MSY or below).⁴³
- Percentage of total marine harvest (by weight) that is bycatch.
- Percentage of sourcing from suppliers participating in technical or financial assistance programs aimed at improving farming or harvesting practices to align with the biodiversity standard.
- Trends in genetic diversityⁿ of products.
- Percentage of fiber-based packaging from recycled or sustainably managed sources.

6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their biodiversity commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts on biodiversity in their operations and value chain, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:

- **Findings of their biodiversity assessment**, including biodiversity risks and negative impacts within their operations and value chain. Companies also disclose how they assessed their operations and business relationships to identify and measure these risks.
- **Measures undertaken during the reporting period to prevent, mitigate, and restore biodiversity in their operations and value chain.** This includes information on changes in sourcing, product lines, production practices and impacts (i.e., pollutants, agrochemical use), land use and occupancy, and business relationships as well as monitoring efforts to assess outcomes on biodiversity and ecosystem quality in geographic areas relevant to business operations.
- **Progress on relevant performance indicators, even when progress is not as good as expected and the companies fall short of targets set.** When companies fail to meet their targets, they disclose key learnings and delineate how they are modifying their strategies in order to achieve intermediate and long-term targets to protect biodiversity.
- **Any impacts on biodiversity impacts that are identified in their operations or value chain**, specifying the geographic location where the impacts occurred, contributing activities and actors, the extent of damage done to both live species and abiotic components of the affected ecosystem.⁴⁴ Companies disclose how the impact was identified and how they are providing or enabling remedy for the damage done.



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To improve sustainability in their value chains, SDG-aligned companies change their own business practices that might be incentivizing unsustainable practices, and also use their leverage with value chain actors to influence them to adopt improved practices.

Harvesting time on a coffee plantation.
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8

FRESHWATER

STANDARD



PILLARS 2 & 3

SUSTAINABLE
OPERATIONS &
VALUE CHAINS

8

FRESHWATER

Commitment

Achieve the lowest possible water footprint in the company's operations and value chain, with a focus on areas where water risk is high, to ensure a sustainable water supply for human use and natural ecosystems.

Aerial view of a center pivot irrigation system.
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Aligning a company's practices with the SDGs entails preventing freshwater pollution and minimizing freshwater footprints^a in their operations, value chain, and the broader ecosystem.

Even though there is sufficient freshwater globally, it is neither evenly nor equitably distributed and many regions are increasingly facing chronic water shortages, or water scarcity.¹ Globally, physical water scarcity affects 1.2 billion people and economic water shortage (lack of infrastructure) affects 1.6 billion.² According to the UN Global Compact, 3.6 billion people worldwide live in water-stressed areas.³ Based on projected demand without intervention, the world will face a 40% shortfall in freshwater supply within 10 years.⁴

- a. A water footprint is a measure of an individual, process, product, company, or nation's "appropriation of fresh water in volumes of water consumed and/or polluted." For the purposes of this standard, an "excessive water footprint" is defined as an inefficient utilization of freshwater in the company's operations and value chain and/or pollution of freshwater beyond scientifically agreed-upon water quality standards. (Source: The Water Footprint Network, "What Is a Water Footprint?," The Water Footprint Network, n.d., <https://waterfootprint.org/en/water-footprint/what-is-water-footprint/>.)



Agriculture accounts for 70% of water withdrawal worldwide and up to 95% in some regions of the world.⁵ Additionally, agriculture and food production are major sources of wastewater, 80% of which is discharged into the environment without any prior treatment.⁶ Food companies do not only contribute to water pollution and scarcity but are also directly affected by these impacts as global food systems are directly reliant on consistent water access. Recent estimates indicate that US\$301 billion in business value is at risk due to water scarcity, water pollution, and resulting climate change, a number five times higher than the cost of addressing water risks.⁷ As climate change progresses, increasingly frequent and more intense droughts are anticipated⁸ compounding existing risks. Hence, prioritizing water-use efficiency and wastewater quality are not only crucial steps for the food sector to align with the SDGs but also to remain resilient and profitable.

Beyond being water-intensive (i.e., depleting groundwater tables), agriculture and food manufacturing are primary sources of water pollution and contamination through means such as runoff of agrochemicals, sediment, and livestock waste; leaching of agrochemicals into soil or waterways; heavy effluents from concentrated aquaculture operations;⁹ and improper disposal of chemical by-products in manufacturing facilities.¹⁰ Water quality standards are intended to create base limits for discharges of hazardous substances, including those that “are toxic at low concentrations, carcinogenic, mutagenic, teratogenic and/or can be bioaccumulated, especially when they are persistent,” but agriculture and food production often exceed these limits.¹¹

On top of ecosystem damage, freshwater pollution also affects global access to clean drinking water supply, a fundamental human right.¹² Currently, unsustainable and inequitable water usage is directly addressed through SDG 6, which expands the Millennium Development Goal’s sole focus on drinking water and sanitation to include cross-boundary water, wastewater, and ecosystem management.¹³ However, due to the ubiquitous need for a safe and abundant water supply and the environmental roles clean water plays, multiple SDGs, including those addressing sustainable agriculture, ecosystem preservation, and sound management of natural resources, hinge upon minimizing water consumption and pollution.



SDG 2 – Zero hunger

Target 2.4: By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding, and other disasters, and that progressively improve land and soil quality.



SDG 15 – Life on land

Target 15.1: By 2020, ensure the conservation, restoration, and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains, and drylands, in line with obligations under international agreements.



SDG 6 – Clean water and sanitation

Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping, and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and substantially increasing recycling and safe reuse globally.

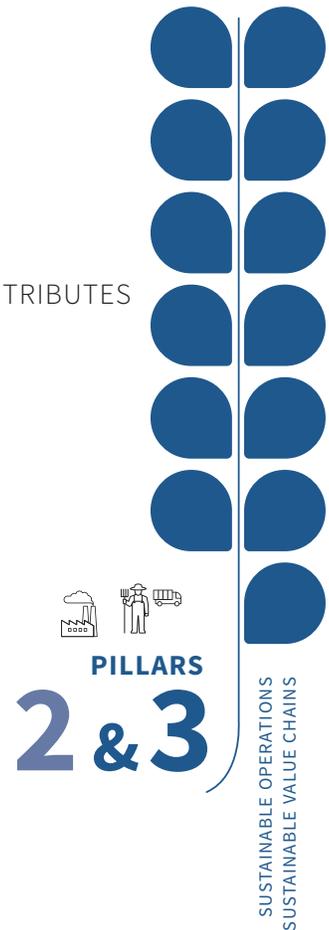
Target 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

Target 6.5: By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.

Target 6.6: By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers, and lakes.

Target 6.a: By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling, and reuse technologies.

SDG-ALIGNMENT: THIS STANDARD CONTRIBUTES TO ACHIEVING THE FOLLOWING SDGS:



SDG 12 – Responsible consumption and production

Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

Target 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water, and soil in order to minimize their adverse impacts on human health and the environment.

Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Target 12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities.



STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior level of SDG-aligned companies adopt a public commitment to minimize their water footprint prioritizing areas where water risk^b is high, and establish and uphold strict water pollution standards in line with the internationally-recognized human rights to water, a healthy environment, and life in their operations and with business relationships. The policy:

- Aligns with and references the standards listed in Box 24.¹⁴
- Aligns with and references scientifically agreed-upon standards for acceptable water quality and efficient usage based on research from the EU Water Framework Directive¹⁵ and the specific constraints set by the WHO Guidelines for Drinking Water Quality.¹⁶
- States that where the national law or practices of the territory where the company and its business relationships operate conflict with international water use and quality standards, the company defers to the higher standard and commits to the lowest possible target.¹⁷

BOX 24: INTERNATIONAL STANDARDS ON THE HUMAN RIGHT TO WATER

- General Comment No. 15.¹⁸
- UNECE Protocol on Water and Health.¹⁹

b. The World Resources Institute determines water risks based on 13 indicators classified into three categories: 1) Physical risks of quantity, including: Water Stress, Water Depletion, Interannual Variability, Seasonal Variability, Groundwater Table Decline, Riverine flood risk, Coastal flood risk and Drought Risk; 2) Physical risks of quality, including: Untreated Connected Wastewater and Coastal Eutrophication Potential; 3) Regulatory and reputational risk, including: Unimproved/No Drinking Water, Unimproved/No Sanitation and Peak RepRisk Country ESG Risk Index. (Source: WRI, "Identify and Evaluate Water Risks around the World," Aqueduct, n.d., <https://www.wri.org/aqueduct>.)

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Communicate expectations for implementing the policy commitment internally and externally to the workforce, shareholders, subsidiaries' governing bodies, and business relationships, including through contractual terms.
- Integrate the policy commitment into the procurement policy, responsible sourcing policy, contract terms with suppliers, clients, other business relationships in the value chain, and partnerships within and beyond the food sector.²⁰
- Reflect a commitment to a sustainable freshwater footprint in by-laws and other governance documents (i.e., Code of Conduct, Code of Ethics), and management procedures.²¹
- Ensure that business practices and the incentives they create, do not contradict the policy in form or substance.

2. ASSESS ACTUAL & POTENTIAL IMPACTS

SDG-aligned companies identify and assess actual or potential instances of freshwater pollution or contributions to an excessive water footprint. To systematically assess actual or potential instances on an ongoing basis within the company's operations and value chain, SDG-aligned companies:

- **Evaluate both water use^c and water consumption^d in internal operations and across value chains.** Companies accomplish this, in part, by collecting data on the following categories of water use and consumption, both for internal processes and for their value chains:
 - **Blue water:** The volume of freshwater taken from surface waters or groundwater used to produce a good or service.²²

c. "Water use describes the total amount of water withdrawn from its source to be used. Measures of water use help evaluate the level of demand from industrial, agricultural, and domestic users. For example, a manufacturing plant might require 10,000 gallons of freshwater per day for cooling, running, or cleaning its equipment. Even if the plant returns 95 percent of that water to the watershed, the plant needs all 10,000 gallons to operate." (Source: Paul Reig, "What's the Difference Between Water Use and Water Consumption?," World Resources Institute, 2013, <https://www.wri.org/insights/whats-difference-between-water-use-and-water-consumption>.)

d. "Water consumption is the portion of water use that is not returned to the original water source after being withdrawn. Consumption occurs when water is lost into the atmosphere through evaporation or is incorporated into a product or plant such that it is no longer available for reuse. Water consumption is particularly relevant when analyzing water scarcity and the impact of human activities on water availability. For example, irrigated agriculture accounts for 70 percent of water use worldwide and almost 50 percent of that is lost, either through evaporation or transpiration through plant leaves." (Source: Paul Reig.)

- **Green water:** The precipitation on land that is stored in the soil or temporarily on the top of the soil or vegetation. Green water does not recharge groundwater and it either transpires through plants or evaporates. In practical terms, it is the volume of rainwater consumed during the production process (particularly relevant for agricultural and forestry products).²³
- **Grey water:** The volume of freshwater “required to dilute pollutants to such an extent that the quality of the water remains above agreed water quality standards.”²⁴
- **Determine water footprints using collected water use and consumption data** (see above) and accurate and granular methods as detailed in the Water Footprint Assessment Manual.²⁵ Water footprints are calculated for all processes in the value chain followed by aggregation of these steps into individual product water footprints. An overall company footprint is also calculated that includes both product water footprints and water consumption due to other company uses.^e
 - SDG-aligned companies also specifically determine water use efficiency (WUE) ratios for all agricultural products used as ingredients in their products.^f
- **Evaluate water pollution resultant from their operations and value chain**, particularly through industrial production and sourcing of ingredients, especially those from concentrated cropping, livestock, and aquaculture operations.²⁶ In particular, companies:
 - Identify real or potential instances of point source^g and non-point source (mainly agricultural sources) pollution occurring along their value chain.
 - Assess water quality in bodies of water surrounding or directly involved in product production using the best available precision methods.^h
- Determine whether water qualities in relevant areas fall below scientifically agreed-upon limitsⁱ or whether waters are polluted resultant from company or value chain practices.
- **Identify high-risk water areas** by comparing assessed use and consumption patterns with water risks in the relevant areas.^j
- **Regularly conduct supplier and other business relationship audits** to assess alignment with international water use and quality standards (including the human right to clean drinking water), as well as internal targets and commitments. Require suppliers to report on relevant indicators and subsequently integrate the value chain’s water impacts into its aggregate company water footprint.
- **Engage with affected stakeholders, including Indigenous and local communities, and qualified and credible experts** as part of on-site impact assessments, particularly in areas at high-risk for water scarcity or water pollution.^k
 - These experts and other stakeholders are consulted about the consequences of a company and its value chain’s water use and pollution, particularly in high-risk water areas. As water is a shared natural resource, any impacted communities and ecosystems are considered, even if not in close geographical proximity to the sources of use or pollution.

e. For example, if a company has a suite of 50 products, the company determines water footprints for the production of each of those products as well as their overall footprint, which includes the sum of the individual products’ footprints and other company activities that consume or pollute water (e.g., facility use, irrigation of headquarter landscaping, etc.).

f. Water use efficiency (WUE) “is defined as the amount of carbon assimilated as biomass or grain produced per unit of water used by the crop.” (Source: Jerry L. Hatfield and Christian Dold, “Water-Use Efficiency: Advances and Challenges in a Changing Climate,” *Frontiers in Plant Science* 10 (2019), <https://doi.org/10.3389/fpls.2019.00103>.)

g. The U.S. Environmental Protection Agency (EPA) defines point source pollution as “any single identifiable source of pollution from which pollutants are discharged, such as a pipe, ditch, ship or factory smokestack.” (Source: NOAA, “Point Source: Pollution Tutorial,” n.d., https://oceanservice.noaa.gov/education/tutorial_pollution/03pointsource.html.)

h. Full details on gold-standard methods for determining water quality can be found in: U. N. Environment, “Progress on Ambient Water Quality: Piloting the Monitoring Methodology and Initial Findings for SDG Indicator 6.3.2,” UNEP - UN Environment Programme, October 11, 2019, <http://www.unep.org/resources/report/progress-ambient-water-quality-piloting-monitoring-methodology-and-initial-2>.

i. Standard limits for water quality can be found in: “Guidelines for Drinking-Water Quality, 4th Edition, Incorporating the 1st Addendum,” accessed June 29, 2021, <https://www.who.int/publications-detail-redirect/9789241549950>; EPA, “National Recommended Water Quality Criteria - Human Health Criteria Table,” n.d., <https://www.epa.gov/wqc/national-recommended-water-quality-criteria-human-health-criteria-table>; EPA, “National Recommended Water Quality Criteria - Aquatic Life Criteria Table,” n.d., <https://www.epa.gov/wqc/national-recommended-water-quality-criteria-aquatic-life-criteria-table>.

j. One tool for conducting this comparison is the World Resources Institute Aqueduct Risk Atlas which maps and analyses water risks (including specific risks to agriculture and food security) across locations, including national and sub-national locations: “Aqueduct Water Risk Atlas,” World Resources Institute, October 6, 2013, <https://www.wri.org/resources/maps/aqueduct-water-risk-atlas>.

k. It should be noted that water pollution may have grievous impacts even on ecosystems geographically distal to the source of water pollution. For example, nutrient pollution from excessive agrochemical use and runoff can cause marine algal blooms and hypoxia of ocean waters hundreds of miles away. (Source: Mary Berg and Miranda Meehan, “Environmental Implications of Excess Fertilizer and Manure on Water Quality,” NDSU, 2017, <https://www.ag.ndsu.edu/publications/environment-natural-resources/environmental-implications-of-excess-fertilizer-and-manure-on-water-quality/>.)



3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their comprehensive assessments of water use and pollution and subsequent impacts outlined in **Step 2** into business decisions, processes, and functions by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific, time-bound intermediate and long-term targets to limit the excessive use or pollution of water that are ambitious enough to contribute significantly to the achievement of the SDGs, particularly SDG 6 and SDG 15, as it relates to aquatic ecosystems. The intermediate targets are relevant for companies to monitor continuous improvement, both internally and along the value chain, towards meeting the standard and realizing the lowest possible water footprint.

Where possible, indicators measure outcomes rather than outputs or activities and targets are relative, rather than absolute, expressing goals in terms of percent-based metrics to account for the direct relationship between production and water use and consumption. These targets are tailored to a company's business activities and relationships based on its assessment of actual and potential instances of water pollution or excessive water consumption. Examples of targets may include:

- By 2050, create a net positive water impact (i.e., contribute more to water stress basins than what is taken from them) in internal operations and along the value chain by 2050, with halfway progress (i.e., not peaking pollution and/or usage before) by 2025.
- By 2025, reduce water consumption based on baseline levels in operations and value chain by 20%.
- By 2025, achieve zero pollution according to scientifically agreed-upon safe standards and eliminate chemical discharge.

While some pollutants or organic substances require immediate and substantial emissions reduction,¹ others are safe at trace levels, depending on factors specific to the waterbody. As such, water quality objectives for a given water body take into consideration "site-specific physical, chemical, hydrological and biological conditions."²⁷ These site-specific factors may affect the exposure of aquatic organisms to some substances or the usability of water for human consumption, livestock watering, irrigation, and recreation.²⁸ Such conditions may be related to:

- Overall chemical composition: hardness, pH, dissolved oxygen.
- Physical characteristics: turbidity, temperature, mixing regime.

1. For example, the immediate and substantial reduction of emissions of three organic substances (carbon tetrachloride, DDT and pentachlorophenol) was stipulated by the EU Council Directive 86/280/EEC of 12 June 1986 on Limit Values and Quality Objectives for Discharges of Certain Dangerous Substances Included in List I of the Annex to Directive 76/464/EEC.

- Type of aquatic species and biological community structure.
- Natural concentrations of certain substances (e.g., metals or nutrients).²⁹

When setting targets for a company and its value chain's water footprints, the company:

- Considers the scientific data related to water basins' maximum monthly withdrawals compared to their mean monthly river flows (from 25% for low flow months to 55% for high flow months on average³⁰) to stay within planetary boundaries.
- Engages in environmental and human rights impact assessments and conducts audits and assessments of the value chain to obtain information relevant to indicators (See 5. *Track progress* for examples of indicators to help track the effectiveness of efforts to meet the standard).
- If/when using certification schemes, the company regularly monitors the effectiveness of these schemes in providing real-time and accurate data and adjusts targets accordingly.

3.2. TAKE ACTION

Where an SDG-aligned company identifies actual and potential impacts of freshwater pollution or excessive water footprint in its operations or value chain, it takes appropriate action to cease, prevent, and mitigate impacts and uses leverage to prevent and mitigate harms in its broader ecosystems, ideally at their root causes.

Actions taken to minimize harm will depend largely on each company's specific commodities, regions, or suppliers. Depending on the specific risks and impacts identified, and starting with the most salient impacts and high-risk areas found in a company's assessment, measures to address actual or potential freshwater pollution or excessive water consumption include:

- **Addressing the ways in which their business model might be incentivizing the excessive use of water or incentivizing water pollution**, both point source, and non-point source. Examples of this include:
 - **Product portfolio/ingredient choice:** seeking alternatives to water-intensive ingredients that can be substituted without significantly compromising the taste, texture, or nutritional value of products (e.g., substituting almonds with sunflower seeds or cashews). Alternatively, reformulating products to reduce the inclusion of water-intensive ingredients (e.g., decreasing the portion of meat included in frozen entrées and including a plant-based, protein-rich side such as beans to keep protein content constant).

- **Engaging with business relationships who have caused or contributed to negative impacts on human health and the environment from the excessive use of or pollution of water in order to influence their practices.** Where a company has communicated expectations and provided adequate supports to aid a business relationship in aligning with the standard, but they are unwilling or fail to meet expectations within an appropriate time frame, as a last resort, the relationship may be terminated.
- **Providing expert consultation, extension services, financing programs, and other capacity-building offerings to business relationships** to aid them in aligning with the standard, meeting expectations, and minimizing their water footprints. In particular, SDG-aligned companies aid producers in improving agricultural and livestock production systems and practices, including:³¹
 - Irrigation practices, such as:
 - Adopting night irrigation and precision practices.
 - Replacing inefficient practices such as flood irrigation and traditional spray irrigation with drip irrigation or hanging pipe spray systems.
 - Water dodging techniques following the natural water cycle and/or water tolerance management through diversification or genetic material.³²
 - Reducing tillage.
 - Leveling fields to prevent excessive run-off and improve uniform irrigation of crops.
 - Soil covers (i.e., mulches, sheeting, polymers).
 - Crop choices, including ensuring appropriateness for local climate (i.e., reducing the planting of water-intensive crops in low rainfall or water-stressed areas) and increasing drought-resistant varieties.³³
 - Alternative cultivation systems (i.e., polycultures, perennial agriculture^m).
 - Incorporation of crop residuesⁿ (e.g., straw) in livestock feed mixes.³⁴
- Any other innovation in water use/consumption and treatment that reduces the negative impacts on the environment while preserving an adequate productivity level.
- **Minimizing water use in processing and other facilities through operational improvements** such as:³⁵
 - **Upgrading fixtures & equipment** to those that optimize water pressures and use such as nozzle restrictors, low-flow faucets, and other fixtures, rainwater harvesting systems, and water-saving appliances and heating/cooling systems (e.g., cooling towers that utilize recycled water³⁶).
 - **Employee training**, especially in efficient cleaning practices, which accounts for the majority of water use in food processing plants. Where possible, commonly-used water-based cleaning practices are replaced with physical ones (e.g., utilizing vacuum or push systems instead of power-washing debris).
- **Adopting, or supporting business relationships and producers in adopting, technologies, management practices, and innovations** that eliminate or significantly reduce the negative impacts on the environment and surrounding communities from the pollution of water. Methods include those that:
 - Prevent, control, and reduce inputs of hazardous substances, chemical by-products, and other water pollutants from point sources into aquatic ecosystems.
 - Reduce inputs of phosphorus, nitrogen, other nutrients, antibiotics, and pesticides from non-point sources (e.g., agriculture) to water bodies.
- **Constructively participating in initiatives and research and development** to scale these technologies, management practices, and innovations, including:
 - **Establishing water management committees:** If not already mandated by regulation (i.e., the EU European framework directive on water³⁷), SDG-aligned companies participate in or incentivize the creation of collective water management committees in the water basins where they have the most severe water impacts. These committees bring together the State, communities, and various water users to establish strategies for balanced and sustainable management of water resources and provide measures to improve the state of aquatic environments and prevent their deterioration at the basin or sub-basin level.³⁸
 - **Enabling the adoption of new tools and technologies** along the value chain and spreading shared water use and reporting standards among all business relationships.
 - **Participating in multi-stakeholder initiatives and using leverage to improve certification schemes** to promote more responsible, equitable, transparent, and sustainable water use by actors across the food sector.

m. Perennial agriculture is a cropping system in which multiple perennial crops are grown; their deep root structures help soils retain water, prevent erosion, and are more resilient to periods of water scarcity (i.e., droughts). (Source: Timothy E. Crews, Wim Carton, and Lennart Olsson, "Is the Future of Agriculture Perennial? Imperatives and Opportunities to Reinvent Agriculture by Shifting from Annual Monocultures to Perennial Polycultures," *Global Sustainability* 1 (2018), <https://doi.org/10.1017/sus.2018.11>.)

n. As crop residues are by-products of agricultural production, they are assumed to have no inherent water cost and thus, can reduce the overall water footprint of animal-based protein ingredients. (Source: Jens Heinke et al., "Water Use in Global Livestock Production—Opportunities and Constraints for Increasing Water Productivity," *Water Resources Research* 56 (2020), <https://doi.org/10.1029/2019WR026995>.)



- **Supporting, and not impeding, government policies, regulation, legislation, and enforcement** that protects freshwater and local communities’ access to fresh drinking water, including protection from corporate bottling of local water reserves,³⁹ as well as smart water management and equitable access policies.

4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

SDG-aligned companies establish and participate in effective grievance mechanisms that are accessible to stakeholders to report adverse impacts on human health, water access, and/or the environment from the excessive use of water or water pollution.

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies cooperate with and support legitimate judicial and non-judicial State-based mechanisms to report and adjudicate impacts on human health, water access, and/or the environment from the excessive use of water or water pollution. Where State-based mechanisms order sanctions or remedy, the companies comply and use leverage to ensure their business relationships comply.

4.3. PROVIDE OR ENABLE REMEDY

Where an SDG-aligned company identifies that it has caused or contributed to adverse impacts on human health or the environment from the excessive use of water or water pollution through its operations or business relationships, it acknowledges its part in the occurrence of the harm done and provides for or cooperates in their remediation through legitimate processes.

Where a company identifies that it is directly linked to water pollution and/or excessive water footprint-related impacts in its value chain, it enables remedy. Remedy for these impacts includes compensation for harm caused to individuals and communities, and actively carrying out, supporting, and financing natural ecosystem and/or local water supply restoration (e.g., pump and treat, containment strategies)⁴⁰ in collaboration with local governments and communities, including Indigenous and farmer communities. The company also immediately takes steps to cease practices at the root of pollution or excessive water use in its value chain and implement appropriate and safe alternatives.

5. TRACK PERFORMANCE

SDG-aligned companies track, on an ongoing basis and through qualitative and/or quantitative outcome-based performance indicators, the implementation of actions taken to meet the standard. In particular, the companies monitor whether actions are implemented within their target dates and conduct audits of their value chains to obtain information relevant to indicators.

TABLE 1: EXAMPLES OF THE COMPONENTS OF BUSINESS WATER FOOTPRINT⁴¹

OPERATIONAL WATER FOOTPRINT		SUPPLY CHAIN WATER FOOTPRINT	
Water footprint directly associated with the production of the business’s product(s)	Overhead water footprint	Water footprint directly associated with the production of the business’s product(s)	Overhead water footprint
<ul style="list-style-type: none"> • Water incorporated into the product. • Water consumed or polluted through a washing process. • Water thermally polluted through use for cooling. 	<ul style="list-style-type: none"> • Water consumption or pollution related to water use in kitchens, toilets, cleaning, gardening, or washing working clothes. 	<ul style="list-style-type: none"> • Water footprint of product ingredients bought by the company. • Water footprint of other items bought by the company for processing their product. 	<ul style="list-style-type: none"> • Water footprint of infrastructure (construction materials and so on). • Water footprint of materials and energy for general use (office materials, cars and trucks, fuels, electricity and so on).

The following are some examples of performance indicators to track progress over time:

- Internal (operational) and value chain water footprints, as determined by the calculations provided below. (See *Table 1* for example components of a business water footprint).
- Percent decrease in water footprint or its constituents (i.e., percent decrease in blue water consumption).
- The degree of freshwater pollution resultant from a company's processes both internally and along the value chain, utilizing water quality standards as discussed above.
- Quantity and content of output of polluted water through source points and/or chemical composition of water bodies directly or indirectly (e.g., located nearby) associated with production (i.e., measures of turbidity or total suspended solids).
- The efficiency of water consumption along the value chain, particularly agricultural and commodity suppliers which are typically water-intensive and may be located in regions with high water risk.
- Percentage of producers who are engaged in at least one water conservation production practice (e.g., soil covers, diversified cropping systems)
- Percentage of producers who have optimized irrigation practices based on expert assessment.
- The number of grievances raised related to freshwater pollution or unsustainable water usage in the company's operations and value chain.
- Percentage of population with consistent access to clean drinking water (by international human rights standards) in major production regions.

5.1. CALCULATIONS FOR INTERNAL (OPERATIONAL) AND VALUE CHAIN WATER FOOTPRINTS:

Where an SDG-aligned company identifies that it has caused or contributed (*WF*: *Water Footprint*, *VC*: *Value Chain*)

$$Internal\ blue\ WF = \sum \frac{volume\ of\ freshwater\ consumed}{unit\ of\ product} + overhead\ blue\ WF$$

$$Internal\ green\ WF = \sum \frac{volume\ of\ rain\ water\ consumed}{unit\ of\ product} + overhead\ green\ WF$$

$$Internal\ grey\ WF = \sum \frac{volume\ of\ grey\ water\ consumed}{unit\ of\ product} + overhead\ grey\ WF$$

$$VC\ blue\ WF = \sum \frac{VC\ volume\ of\ freshwater\ consumed}{unit\ of\ product} + VC\ overhead\ blue\ WF$$

$$VC\ green\ WF = \sum \frac{VC\ volume\ of\ rain\ water\ consumed}{unit\ of\ product} + VC\ overhead\ green\ WF$$

$$VC\ grey\ WF = \sum \frac{VC\ volume\ of\ grey\ water\ consumed}{unit\ of\ product} + VC\ overhead\ grey\ WF$$

6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their freshwater commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts on freshwater in their operations and value chain, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:

- **Findings of the water assessment**, including specific values for water footprints and pollution levels resultant from company or value chain activities.⁴²
- **Findings relating to internal business and value chain operations that are considered to have significant risk for water pollution and excessive water footprint**, specifying the geographic locations of these operations.⁴³
- **Specific methods that are used to assess operations and business relationships** to identify and measure risks related to risk for water pollution and excessive water footprint.⁴⁴
- **Measures taken during the reporting period to reduce consumption and eliminate pollution of water in their operations and value chains.** This includes information regarding agricultural practices, capacity building activities, chemical byproduct disposal and pollution prevention, water utilization efficiency, and access of neighboring populations to clean drinking water.
- **Any measures taken with peer companies, companies across industries, civil society, or governments** to address freshwater pollution and its root causes in the company's ecosystem.
- **Any instances of freshwater pollution or excessive water use identified in their business operations and value chains**, specifying how the instance was identified, what elements of the standard were violated, and steps taken to both remedy the instance and prevent further such instances from occurring, including changes to internal or value chain practices.
- **Progress on relevant indicators** and, where appropriate, explaining lessons learned from stagnation or decline, towards meeting the standard and achieving intermediate and long-term targets on preventing and eliminating excessive water footprint and freshwater pollution in its business operations and value chain.



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9

WASTE STANDARD



PILLARS 2 & 3
SUSTAINABLE
OPERATIONS &
VALUE CHAINS



9
WASTE

Commitment

Minimize food loss and waste and packaging waste in the company's operations and value chain, including at the retail and consumer levels.

Biological food waste.
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Waste generated in food systems is a major issue, contributing to climate change, overexploitation of natural resources, and degradation of the planet. An estimated 1.3 billion tons of food, equivalent to one-quarter of all calories produced by global food systems is lost or wasted each year,¹ and 30% of the world's agricultural land is devoted to growing food that will never be consumed.² In an attempt to mitigate waste and its ramifications on

planetary health and global food security, Target 12.3 of the SDGs sets a global call to action to halve food waste and reduce food loss in production and value chains by 2030. Achieving this target would result in an estimated 6-16% reduction of total environmental pressures from the land usage, water usage, and greenhouse gas emissions that stem from food production.³



Food loss and waste are distinct concepts.³ Food loss refers to a decrease in quantity or quality of food intended for human consumption along the supply chain up to, but not including, retailers and consumers.⁴ Food waste, on the other hand, occurs at the retail or consumer level.⁵ Along the journey from farm-to-fork, food loss and waste (FLW) occurs for a myriad of reasons including deliberate and inadvertent causes on-farm, during storage and transport, during processing and packaging, at wholesale and retail, and in consumers' homes.⁶ Estimates differ based on food category and region, but approximately 14% of food is lost before the retail stage,⁷ rendering food companies and their value chains important actors in reducing the detrimental effects of FLW.

FLW negatively impacts planetary health as well as the bottom lines of food companies. The decomposition of FLW results in annual emissions equivalent of 4.4 gigatons of carbon dioxide, which makes up nearly 8% of all greenhouse gas emissions.⁸ Producing food that goes unused overexploits natural resources and does not cost companies any less water, land, and resources (i.e., labor, seeds, agrochemicals, etc.) than what is needed to produce food that is consumed. Additionally, companies incur the rising costs of discarding food wastes through landfill and disposal fees.⁹ Reducing FLW, therefore, allows companies and actors in their value chains to become more efficient by reducing costs while maintaining productivity and increasing revenue per unit produced. Addressing this issue also opens up new opportunities for companies, such as creating innovative products from food that would otherwise be considered “waste” (e.g., trimmings) or putting resources (e.g., human capital) into addressing other social issues (e.g., poverty).

FLW also holds important implications for current and future food security. The global population is expected to exceed 10 billion by 2050,¹⁰ placing increased pressure on food systems to feed everyone. Consequently, reducing FLW is a necessary step to ensure global food security without significantly expanding agriculture's footprint and furthering biodiversity loss.¹¹

Complicating the issue of waste in food systems is the role of packaging because although it extends shelf-lives and prevents premature spoilage of food, it has important environmental costs. The production of packaging contributes to deforestation, as well as the overutilization of natural resources and energy. Additionally, many of the methods used at retail and consumer levels to discard packaging create further harm. Packaging incineration, for example, contributes to greenhouse air pollution, while plastic packaging disrupts marine ecosystems.¹² In the United States, estimates suggest more than one-fifth of all landfill waste comes from food packaging alone.¹³ The development of innovative, recyclable, and biodegradable packaging solutions and strategies are, therefore, critical to reducing this waste and protecting natural resources.

While food companies may not have direct control in all the life cycle stages of their products, they can use their leverage to influence producers, suppliers, retailers, consumers, and other stakeholders to reduce food and packaging waste. Overall, by aligning their practices with the SDGs, companies can contribute significantly to mitigating climate change and planetary degradation.

a. It should be noted that there are no universal definitions of food loss and food waste; they are defined differently by organizations and institutions based on their foci of intervention. The definition utilized by this standard is derived from the United Nations FAO conceptual framework. Other organizations consider food waste to be the fraction of edible and inedible parts of food (e.g., peels, skins) that is discarded or disposed of, but could otherwise be utilized or “recovered” or, alternatively, do not distinguish between food loss and waste, aggregating both concepts under “food waste.” (Sources: Karin Östergren et al., “FUSIONS Definitional Framework for Food Waste,” Reducing Food Waste through Social Innovation, 2014, <https://www.fusions.org/phocadownload/Publications/FUSIONS%20Definitional%20Framework%20for%20Food%20Waste%202014.pdf>.)



SDG 11 – Sustainable Cities and Communities

Target 11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.



SDG 12 – Responsible consumption and production

Target 12.1: Implement the 10-year framework of programmes on sustainable consumption and production, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries.

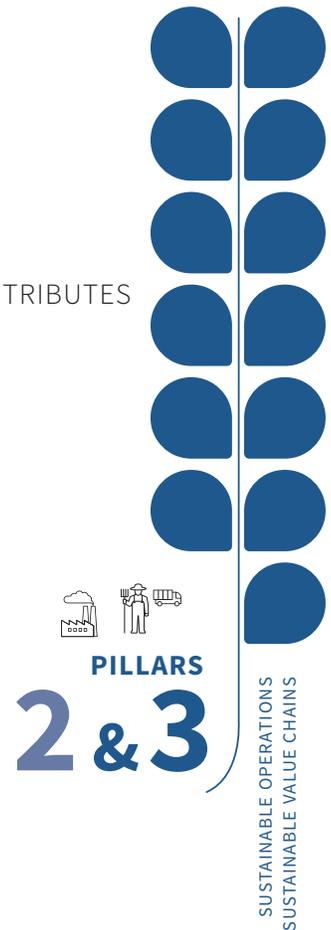
Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

Target 12.3: By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.

Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.

Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

SDG-ALIGNMENT: THIS STANDARD CONTRIBUTES TO ACHIEVING THE FOLLOWING SDGS:





STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior level of SDG-aligned companies adopt a policy aligned with their public commitment to respect the internationally-recognized rights to food, health, and a healthy environment. Companies commit to:

- Minimize FLW in the company's operations and value chain, including through the transportation of goods, processing, and production, and using its leverage with supply chain partners.
- Use leverage to reduce post-production FLW at the retailer, wholesaler, food service establishment, and consumer levels.
- Update marketing, labeling, and packaging design practices to support FLW reductions.
- Provide discretionary support of food recovery and donation programs.
- Minimize packaging waste and environmental impact in the company's operations and post-production, including through its packaging choices (i.e., material, design), shipment policies and materials, and business relationships with wholesalers, retailers, food service establishments, and consumers.

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Communicate expectations for implementing the policy internally and externally to their workforce, shareholders, subsidiaries' governing bodies, and business relationships.
- Integrate the policy into the procurement policy, responsible sourcing policy, contract terms with suppliers, wholesalers, retailers, and other business relationships in the value chain, and partnerships within and beyond the food sector.
- Integrate the policy into by-laws and other governance documents (i.e., Code of Conduct, Code of Ethics).
- Ensure their business practices and the incentives they create do not contradict the policy in form or substance.

2. ASSESS ACTUAL & POTENTIAL IMPACTS

SDG-aligned companies identify and assess the impacts of food loss, food waste, and packaging waste in their operations and value chains. In order to systematically assess such impacts on an ongoing basis, SDG-aligned companies:

- **Evaluate how business decisions and practices, including packaging, sourcing, transportation, processing, distribution, and marketing contribute to excess food and packaging waste.** In particular, companies assess how decisions to maximize profits or realize financial gains may be at odds with their commitment to reducing FLW and packaging waste.
- **Conduct comprehensive assessments to identify areas of high rates of food loss, food waste, and packaging waste in their operations and value chain.** The initial assessment is conducted as accurately and robustly as possible in order to establish baseline FLW and packaging waste metrics against which targets can be set and performance can be tracked. These baseline metrics are revisited and updated as needed as part of the regular and ongoing assessments. The scope of assessments¹⁴ include:
 - **Timeframe:** The period for which the quantity of waste generated is evaluated. This is kept consistent across assessment measures for tracking performance, comparisons, and disclosure.
 - **Material types:**
 - **Food:** Food category (e.g., chicken, dairy, fresh fruit and vegetables) and whether edible or inedible (e.g., banana peels, animal bones).
 - **Packaging:** Material category (e.g., plastic, glass, corrugated cardboard) and level (i.e., primary, secondary, tertiary).^b
 - **Lifecycle Stages:** The post-harvest/slaughter stages^c in the supply chain where FLW or packaging waste occurs.

b. Primary packaging is that which is in direct contact with the food or food product. Secondary packaging is packaging that holds multiple units encased in primary packaging and displays the product and branding (e.g., box surrounding 12 cans of sparkling water). Tertiary packaging is used for protection and shipping of products (e.g., large boxes, pallets, crates, etc.). (Source: Katrin Molina-Besch, Fredrik Wikström, and Helén Williams, "The Environmental Impact of Packaging in Food Supply Chains—Does Life Cycle Assessment of Food Provide the Full Picture?," *The International Journal of Life Cycle Assessment* 24, no. 1 (January 1, 2019): 37–50, <https://doi.org/10.1007/s11367-018-1500-6>.)

c. Pre-harvest/slaughter losses are typically a result of natural events (i.e., crop disease, extreme weather, etc.) and are not included in the standard as they represent a difference between a *theoretical* maximum and actual harvest. The focus of this standard is on food losses that can be mitigated through company actions and policy changes and thus, only food that has entered or is ready to enter the food supply (i.e., crops ready to harvest, animals ready to be slaughtered, eggs already laid, etc.) is included. (Source: Craig Hanson et al., "Food Loss and Waste Accounting and Reporting Standard," n.d.)

- **Geographic locations:** Where, geographically, the waste occurs.
- **Destinations:** Where the waste goes when removed from the supply chain (i.e., landfill, animal feed, sewer, aerobic digestion/compost, plowed under/left in the field, environmental dumping, etc.).
- **Direct causes & indirect drivers:**¹⁵ The immediate reasons food leaves the supply chain (e.g., damaged, spoiled or suboptimal quality, superficial appearance issues that affect marketability) or packaging waste is generated, as well as the underlying, structural drivers behind those direct causes of waste¹⁶ including:
 - **Technological drivers:** inadequate or ineffective equipment, poor packaging of the food itself or for protection during transport, inadequate infrastructure (e.g., lack of cold storage).
 - **Managerial drivers:** poor planning, inventory forecasting, or communication with suppliers, retailers, or wholesalers; poor training of employees or lack of knowledge about appropriate storage, handling, and processing of food; inflexible requirements for producers to provide goods to certain standards or without account of seasonal, climactic, or natural variability (e.g., only purchasing lettuce heads of certain dimensions or fullness to appease consumer aesthetic preferences).
 - **Behavioral drivers:** perceptions of producers about marketability (e.g., discard of undesirable fish species in the process of harvesting more desirable species), lack of awareness of food quality and safety parameters (i.e., discard due to perfectly edible items past a freshness premium date and misguided concerns of food safety).
 - **Other structural drivers:** financial considerations, local policies and regulations, lack of alternative destinations for food and packaging (i.e., food donation programs, recycling facilities).
- **Quantity:** an accurate, consistent measurement of waste generated for each material type, preferably recorded as a weight or a conversion to weight from other measures (i.e., unit count, volume).
 - Methods to determine the quantity of FLW and packaging waste may include direct weighing, counting, volume assessment, composition analysis, surveys, statistical modeling, mass loss calculations, and other records.¹⁷
- **Aggregated percentage (for FLW):**^d a calculated percentage by weight of food produced that is lost or wasted by lifecycle stage and across all lifecycle stages.
- **“Hotspots:”**^{18,19} the areas and activities in the operations and value chains of companies that contribute most to FLW or packaging waste. These are ranked based on their negative environmental impact and/or potential environmental gains to be realized by minimizing waste in this area or activity.
 - Lifecycle assessment methods are used to determine “hotspots” and include calculations of carbon, land, and water footprints; chemical inputs; energy use and efficiency; and financial costs. The company may also use proxy-based calculations of biodiversity impacts (e.g., excess land occupancy or deforestation to grow food that is ultimately lost).²⁰
- **Ensure assessments are as accurate as possible by engaging qualified and credible experts and affected stakeholders** to help conduct the on-site, comprehensive waste assessments in their operations and value chain.²¹
- **Partner with wholesalers, retailers, governments, civil society organizations, consumers, and other business relationships** to estimate quantity and assess potential diversions of food and packaging waste stemming from products in the post-production phase (i.e., at retail or in-home, where direct quantification and data collection by the company alone may not be possible).²²

d. Food loss and waste should be reported as both an absolute quantity and percentage of total produced/used to account for FLW's covariance with total produced. Some loss or waste is inherent in maintaining a stable food supply and plentiful access for entire populations; thus, FLW can be minimized but not feasibly eliminated and FLW will always be in proportion to total food produced. If FLW was assessed solely as an absolute quantity, a decrease may simply reflect a decrease in production, not improvement in FLW management. Utilizing an aggregated percentage gives a measure of FLW relative to total food produced. (Source: FAO, “The State of Food and Agriculture 2019. Moving Forward on Food Loss and Waste Reduction.” (Rome, 2019).)



3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their comprehensive assessment of FLW and packaging waste outlined in **Step 2** into their business decisions, processes, and functions by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific, time-bound intermediate and long-term targets to prevent and minimize FLW and packaging waste that are ambitious enough to contribute significantly to the SDG's achievement, especially SDGs 11 and 12. In particular, long-term FLW targets align with and help to achieve the SDG Target 12.3. The intermediate targets are relevant for monitoring continuous improvement towards meeting the standard. Wherever possible, these targets are relative, rather than absolute, and express a company's goals in terms of percent-based (e.g., % of total food product produced that is lost or wasted) or unit-based (e.g., tons per unit production) metrics to account for the direct relationship between FLW or packaging waste and production.²³ The following are some examples of performance indicators to track progress over time:

- By 2030, achieve a 50% reduction in food loss relative to baseline.
- By 2030, achieve a < 5% in-field/on-farm food loss.
- By 2030, achieve a 50% reduction in packaging waste relative to baseline.
- By 2025, 100% of packages are updated with standardized labeling.
- By 2030, 40% of packaging is biodegradable.
- By 2025, achieve a 20% reduction in packaging material used per product.

3.2. TAKE ACTION

Where an SDG-aligned company identifies actual or potential areas of excessive FLW and packaging waste it takes appropriate and swift action to cease them to align with the standard, starting with the most critical or impactful "hotspots."²⁴ Where companies identify opportunities in their value chains, they use leverage to prevent and minimize FLW and packaging waste. SDG-aligned companies also address the ways in which they incentivize negative impacts through

FLW and packaging waste within their value chain (e.g., inflexible contract terms about size or appearance of harvested foods) and use their leverage to influence wholesalers, retailers, consumers, policymakers, and other stakeholders to reduce waste. Interventions to minimize FLW and packaging waste depend upon assessment findings, and follow hierarchical prioritization structures:

- **When it comes to FLW, SDG-aligned companies first prioritize utilizing the following two categories of strategies in tandem due to their high impact potential:**
 - **Prevent/reduce source:** reduce the amount of surplus food created at all stages of the value chain.
 - **Sourcing:** Improve purchasing policies and practices to prevent over-purchasing from suppliers by ordering the appropriate quantities needed for specific time frames. Additionally, renegotiate terms with suppliers that may be promoting food loss and waste. This may include making product requirements (e.g., size, color, etc.) more flexible or establishing whole-crop purchasing and subsequent utilization of "imperfect" foods in innovative ways (see "Novel products" below).²⁵
 - **Packaging redesign:** Invest in the development of packaging or coatings that extend product shelf life or minimize FLW at the retail and consumer levels (e.g., edible polymer film coatings,²⁶ resealable packaging).²⁷ Also consider redesigning packaging to optimize for reducing waste (i.e., if a package exceeds typical serving size for one sitting) or to provide a greater number of sizing options that fit the needs of consumers (e.g., small/individual *and* family sizes) and encourage the reduction of food waste at the consumer level.
 - **Date labeling:** If not already doing so, implement standardized date labeling that clearly delineates between quality and food safety issues and, when possible, amends dates indicating quality to the maximum possible given food safety parameters.²⁸
 - **Consumer education:** Engage in transparent and ethical social marketing practices that acknowledge the mutual contribution of consumers and companies to the issues of FLW, raise awareness of issues surrounding FLW, and provide consumers with strategies to reduce food waste (e.g., recipes, storage tips), without shifting corporate responsibility onto consumers.

- **Optimize production practices and policies:**
 - **Cold-chain and transport improvements:** Improve or upgrade cold-chain management and transport practices to prevent spoilage, bruising, and other damage during storage or transport.²⁹
 - **Optimization of manufacturing lines & processes:** Optimize production processes and products to increase efficiency and decrease waste during production (e.g., smaller trimmings, minimizing spillage).³⁰
 - **Training:** Ensure that managerial staff and workers are adequately trained to operate equipment to minimize food loss and to divert surplus or degraded food to the least environmentally-harmful destinations (e.g., compost over landfill).
 - **Novel products:** Where possible, invest in research and development to expand product lines to include products made with “imperfect” foods or upcycled, edible byproducts (e.g., fish burgers made from trimmings, chips made from vegetable peels).³¹
 - **Optimization of supply to retailers and wholesalers:** Optimize the distribution of products to retailers and wholesalers in quantities appropriate for the time frame to prevent spoilage or disposal of excess products.
- **Only after exhausting the previous two strategy categories, SDG-aligned companies attempt the remaining four actions, which are listed in the order they should be prioritized:**
 - **Feed people experiencing or at risk of food insecurity by donating excess food that meets nutritional guidelines^e to local hunger-relief organizations such as shelters, food banks, and soup kitchens.**
 - **Food donation:** Use leverage and partner with suppliers, wholesalers, food service establishments, and retailers to establish or grow relationships with food banks, shelters, and other hunger-relief organizations in order to donate surplus food at various locations along the supply chain.³²
 - **Contracts & agreements:** Remove any contractual requirements with suppliers or vendors that prohibit the donation of unused food still fit for human consumption or require suppliers and vendors to destroy or dispose of such food.³³
 - **Animal feed:** Divert food scraps to the production of animal feed.
 - **Divert to industrial uses:** Divert food scraps or used oils to digestive processes or creation of biofuels.
 - **Compost:** Divert food scraps or surplus food to create a nutrient-rich soil addition.
- **SDG-aligned companies work towards minimizing packaging waste by:**
 - **Reducing the amount of primary, secondary, and tertiary packaging they use:** Measures to achieve this may include employing reusable packaging solutions (i.e., reusable pallets, crates, drums, or boxes as secondary/shipping packaging).
 - **Redesigning packaging to require less material:** Packaging changes can result in losses of shelf-life, transport protection, or food safety. Therefore, the environmental benefits to be gained from packaging changes must be weighed against the negative environmental effects from potential increases in losses that result from increased FLW.³⁴ To appropriately manage this trade-off, SDG-aligned companies engage credible, qualified experts to conduct life-cycle assessments, balance environmental priorities, and determine the most environmentally-friendly packaging for their products.
 - **Investing in research and development of innovative packaging solutions that address both FLW and packaging waste simultaneously** (e.g., active packaging, intelligent packaging^f).
 - **Replacing packaging materials³⁵ with greater negative environmental impacts during their production phase** (e.g., virgin paper fiber) or when they degrade after being discarded (i.e., plastic, styrofoam) to packaging that is from recycled or repurposed materials, from sustainably managed sources (e.g., FSC certified³⁶), compostable, biodegradable, recyclable, or reusable.⁸

e. Donation of unhealthful foods to those experiencing food insecurity widens inequalities by exacerbating the disproportionate burden of diet-related diseases this population already shoulders; fundamentally, this inhibits, rather than promotes, achievement of the SDGs, especially those concerning hunger and reduction of inequalities (SDG 2 & 10).

f. Active packaging is packaging with additives to the packaging itself that purposefully absorb or release compounds to extend shelf life or preserve the quality of foods. Examples of additions to active packaging include moisture absorbers, ethylene scavengers that prevent overripening, etc. Intelligent packaging is packaging that contains an indicator of freshness or food safety (e.g., color changing label that indicates temperature abuse of meat). (Source: Karleigh Huff, “Active and Intelligent Packaging: Innovations for the Future,” n.d., 13.)

g. When utilizing recyclable or reusable packaging, SDG-aligned companies are careful not to a) rely on this alone to justify meeting the standard and utilize this strategy in conjunction with others discussed (e.g., reducing total packaging material needed per product) and b) transfer their corporate responsibility for packaging waste to consumers as the end actors in products’ lives.



- **SDG-aligned companies only consider sending waste to landfills, incineration, or sewers, which are the most environmentally-detrimental waste destinations, as last resort options** when the above strategies to minimize FLW and packaging waste have been fully exhausted or are completely unavailable.
- In addition to direct minimization of FLW and packaging waste in their operations and value chains, **SDG-aligned companies use their leverage within and beyond the food sector to promote FLW reduction more broadly** by, for example:
 - **Supporting policy changes** that promote improvements in food donation policies, standardization of product date labels, organic waste management (e.g., centralized composting), etc.³⁷
 - **Investing in R&D** to improve and scale practices discussed above and in the development of food recovery technologies (e.g., apps and software platforms to match surplus food sources with hunger-relief organizations).³⁸
 - **Participating in industry-wide initiatives** with retailers, consumers, and other stakeholders, especially in developed countries, to highlight and change the association between overproduction, overstocking, and overbuying, and FLW.
 - **Establishing or collaborating in multi-stakeholder initiatives with industry peers, civil society groups, and other stakeholders** to lead a fundamental shift in societal expectations of constant, unblemished, and abundant food choices and a reduction of food waste at the retail and consumer levels. Examples of such initiatives include programs that promote the purchase of slightly blemished, but perfectly edible foods and advocacy campaigns that help consumers understand the impetus for intermittently bare shelves and the environmental benefits of stores changing their overstocking practices.
 - **Supporting policy changes that shift the cost of packaging waste from consumers and municipalities to the producers of packaged goods** (namely, food companies) through direct collection and recycling of their packaging or municipal reimbursement for recycling costs.³⁹

h. As defined by the UNGPs' Effectiveness Criteria for Non-Judicial Grievance Mechanisms ("In order to ensure their effectiveness, non-judicial grievance mechanisms, both State-based and non-State-based, should be: (a) Legitimate... (b) Accessible... (c) Predictable... (d) Equitable... (e) Transparent... (f) Rights-compatible... (g) A source of continuous learning... Operational-level mechanisms should also be: (h) Based on engagement and dialogue...") (see UNGP 31 for further information). (Source: United Nations, "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework," 2011, https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)

i. Inappropriate or excessive waste generation is considered here to be that which is directly against a commitment to minimize waste (e.g., prioritizing financial gains over commitment to the standard) or results from negligence of a company to uphold its commitment (e.g., through failure to properly train employees in changes to disposal policies or manufacturing process, failure to inspect equipment that results in malfunction and food loss, etc.).

4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

SDG-aligned companies establish effective grievance mechanisms^h that are accessible to stakeholders to report excessive FLW and packaging wasteⁱ generation or improper management. Examples of such practices include: deliberate or inadvertent severe loss of food due to avoidable cold storage or equipment misuse; or excessive levels of surpluses of food at processing or retail levels due to mismanagement of distribution, procurement, or processing operations.

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies cooperate with and support legitimate judicial and non-judicial State-based mechanisms to report and adjudicate excessive FLW and packaging waste generation or improper management. Where State-based mechanisms order sanctions or remedy, the companies comply and use leverage to ensure their business relationships comply.

4.3. PROVIDE OR ENABLE REMEDY

When an SDG-aligned company identifies that it has caused or contributed to excessive waste through its operations or value chain, it acknowledges its part in the harm done and provides for or cooperates in remediation through legitimate processes. When appropriate, SDG-aligned companies engage in formalized after-action reviews to identify the causes and remedy for specific severe impacts.

Remedy for excess waste generation may differ based upon the material type, life cycle stage, and temporal or geographic locations. However, after an instance of excessive or inappropriate waste is identified, SDG-aligned companies attempt, if at all possible, to immediately correct the instance and divert the surplus food or packaging from the most environmentally detrimental destinations (e.g., landfill, incineration, sewer) to less detrimental or beneficial destinations (e.g., composting, recycling, feeding those experiencing or at risk of food insecurity through donation).

Remedy may also include actively carrying out, supporting, or financing natural ecosystem restoration where waste has caused damage (e.g., plastic packaging dumped in marine ecosystems). At the least, companies improve efforts to prevent any such future wastes by altering policies and practices (e.g., date labeling practices, employee training), updating contract terms with suppliers, wholesalers, or retailers (e.g., reducing future inventory to prevent spoilage), investing in infrastructure and equipment improvements, or engaging in other preventative measures.

5. TRACK PERFORMANCE

SDG-aligned companies, track the implementation of actions to meet the standard within their target dates through qualitative and/or quantitative outcome-based performance indicators on an ongoing basis and in partnership with suppliers, retailers, and other actors in their value chain. The following are some examples of performance indicators to track implementation of measures to minimize FLW, packaging waste, and their environmental impact:

- Reduction in FLW relative to baseline (measured as change in percentage of production or change in unit-based metric).
- Percentage of product that becomes FLW across supply chain.⁴⁰
- Percentages of crops purchased from suppliers out of total edible crops harvested (or conversely, percentage of crops left in the field/plowed under).
- Reduction in packaging waste relative to baseline (measured as change in percentage of production or change in unit-based metric).
- Percent of packages updated with standardized labeling.
- Percentage of surplus food (by weight) donated across the supply chain.
- Percentage of food scraps diverted from landfill to other destinations (e.g., animal feed, novel products, compost).
- Percentage of engaged retailers with established relationships with food donation organizations.
- Number of reported incidents of inappropriate or excessive FLW.
- Number of secondary or tertiary packages saved by switching to reusable options.
- Percentage of packaging that is compostable, biodegradable, or recyclable/reusable.
- Percentage of fiber-based packaging from recycled or sustainably managed sources.
- Percent reduction in packaging material per product.

6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their waste commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts related to FLW and packaging waste in their operations and value chain, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:

- **Findings of the FLW and packaging waste assessment,** including absolute and percentage-based quantities of FLW and packaging waste, and identified "hotspots" with the greatest environmental impact in their operations and value chain. Companies also disclose how they assessed their operations and business relationships, any assumptions made, and the limitations of their assessment (e.g., data not fully available for consumer-based food waste).⁴¹
- **Measures undertaken during the reporting period to minimize FLW and packaging waste.** This includes information on changes in sourcing, contract terms with business relationships (e.g., suppliers, retailers), product lines, transport and production practices, packaging decisions, and marketing.
- **Any measures undertaken in partnership with industry partners, civil society organizations, multi-stakeholder groups, governments, and other stakeholders** to address FLW and packaging waste in a company's larger ecosystem and regions where it operates (e.g., policy change advocacy, support of food donation program establishment).⁴²
- **Progress on relevant performance indicators, even when progress is not as good as expected and a company falls short of targets set.**⁴³ When companies fail to meet their targets, they disclose key learnings and delineate how they are modifying their strategies in order to achieve intermediate and long-term targets to minimize FLW and packaging waste.
 - Disruptions (e.g., COVID-19, weather events) do not excuse companies from the commitments outlined in this standard. SDG-aligned companies attempt to uphold the standard in all circumstances. When disruptions do hinder progress towards the targets set, the companies disclose specific learnings and how they will utilize those to adequately prepare for similar future disruptions and keep their commitments.
- **All instances of inappropriate or excessive FLW or packaging waste in the operations or value chains of the companies,** specifying the material type, supply chain and geographic location of the instance, the quantity of excess waste generated, the direct cause and indirect drivers (e.g., lack of internal capacity, lack of clear expectations for suppliers). Companies also disclose how the instance was identified and any attempts made to divert the waste to destinations with better environmental outcomes (e.g., food donation, compost).⁴⁴



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10

ANIMAL
WELFARE

STANDARD



PILLARS 2 & 3
SUSTAINABLE
OPERATIONS &
VALUE CHAINS



10

ANIMAL WELFARE

Commitment

Prevent and eliminate animal rights abuses and promote good animal welfare in the company's operations and value chain.

A Poultry farm.
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Aligning a company's practices with the SDGs entails preventing and eliminating animal rights abuses and promoting animal welfare in their operations, value chain, and the broader ecosystem. This standard is particularly relevant for food companies whose product portfolio is comprised of animal-based foods (i.e., meat, dairy, fish) and/or whose value chain includes ranching, aquaculture, fishing, meatpacking, or animal testing.

Though not directly addressed by the SDGs, recent research suggests their achievement hinges on good animal welfare. Indeed 66 out of the 169 SDG targets, especially those concerning global hunger, responsible consumption patterns, and land- and marine-based ecosystem health, have been significantly linked to animal production.¹ Good animal welfare can increase productivity² and, as such, have positive impacts on poverty reduction and ameliorate

concerns over food security. Additionally, it can mitigate food safety concerns that arise from unhygienic and stressful conditions, overcrowding, antibiotic misuse, and other detrimental practices.³ Similarly, the human-animal-environment interface is increasingly recognized as a major public health concern due to its relationship to the emergence of zoonotic diseases, food and water safety, and security threats, and antimicrobial resistance.⁴ Finally, employing good animal welfare practices prevents social and environmental degradation such as local pollution (e.g., odors or air pollution from Concentrated Animal Feeding Operation);⁵ poor mental health among workers (i.e., from chronically witnessing inhumane and violent practices);⁶ habitat destruction from runoff, waste, and land-use changes;⁷ and climate change (i.e., from greenhouse gas emissions).⁸



According to the World Organization for Animal Health (OIE), “animal welfare” is “the physical and mental state of an animal in relation to the conditions in which it lives and dies.”⁹ “Good animal welfare” entails an animal being healthy, safe, well-fed, kept both comfortable and free from distress, pain, and fear; and allowed to exhibit behaviors it would in a natural state (e.g., grazing, moving freely). Constituents of “good animal welfare” include healthy feed; adequate, safe, and hygienic living conditions, including shelter from the elements; appropriate veterinary care including disease prevention and vaccination; and humane handling, transport, and slaughter.¹⁰

Despite well-established definitions of animal welfare by international organizations and initiatives, two-thirds of livestock animals are estimated to be raised in conditions that violate animal welfare standards.¹¹ Furthermore, upwards of 100 billion fish are farmed for food annually with “prevalent welfare problems in their slaughter, transport, handling and rearing [and] for which the severity and duration of distress” are often high.¹²

As more than 70 billion land animals are farmed for food annually,¹³ and U.N. estimates suggest food production must double by 2050 from baseline measures in 2020,¹⁴ food processing companies have a vital role to play in preventing animal rights abuses and establishing practices for good animal welfare in their value chains. In doing so, companies protect not only animal health but also contribute to improved human health, environmental sustainability, food security, and human wellbeing.



SDG-ALIGNMENT: THIS STANDARD CONTRIBUTES TO ACHIEVING THE FOLLOWING SDGS:



SDG 3 – Good health and well-being

Target 3.4: By 2030, reduce by one-third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and wellbeing.



SDG 12 – Responsible consumption and production

Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources

Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

Target 12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities.



SDG 15 – Life on land

Target 15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species

Target 15.7: Take urgent action to end poaching and trafficking of protected species of flora and fauna and address both demand and supply of illegal wildlife products

Target 15.9: By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies, and accounts

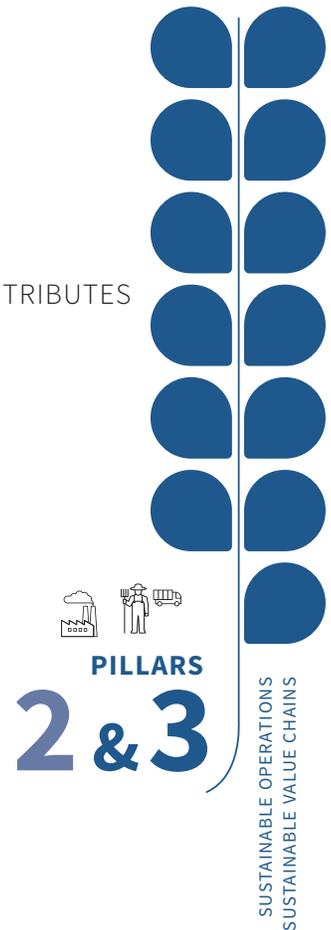
Target 15.c: Enhance global support for efforts to combat poaching and trafficking of protected species, including by increasing the capacity of local communities to pursue sustainable livelihood opportunities.



SDG 14 – Life below water

Target 14.2: By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience and take action for their restoration in order to achieve healthy and productive oceans.

Target 14.4: By 2020, effectively regulate harvesting and end overfishing, illegal, unreported, and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics.





STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior level of SDG-aligned companies adopt policy aligned with their public commitment to improve aquatic and farm animal welfare and respect the internationally-recognized right to health in their operations and business relationships, including animal testing, if relevant. The policy:

- Aligns with and references and references the standards listed in Box 25.
- Addresses all relevant categories of animals, including those kept for food production, as well as working and companion, laboratory, and wild animals. It also encompasses all products produced by a company and all actors across a value chain, regardless of geographic differences in animal welfare regulations.

BOX 25: INTERNATIONAL STANDARDS ON ANIMAL WELFARE

- FARMS initiative “Responsible Minimum Standards” as benchmark principles for farm animal welfare.¹⁵
- World Organization for Animal Health (OIE) standards for aquatic animal welfare.¹⁶

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Communicate expectations for implementing the policy commitment internally and externally to their workforce, shareholders, subsidiaries’ governing bodies, and business relationships, including through contractual terms.
- Integrate the policy into the company’s procurement policy, responsible sourcing policy, contract terms with suppliers, clients, and other business relationships in the value chain, and partnerships within and beyond the food sector.¹⁷
- Integrate the policy into their by-laws and other governance documents (i.e., Code of Conduct, Code of Ethics).¹⁸
- Ensure their business practices and the incentives they create do not contradict the policy in form or substance.

2. ASSESS ACTUAL & POTENTIAL IMPACTS

SDG-aligned companies identify actual and potential negative impacts on animal rights or animal welfare within their business operations and value chains in accordance with OIE and FARMS initiative welfare standards. In order to systematically assess such impacts and instances of animal rights abuses or poor animal welfare on an ongoing basis, SDG-aligned companies:

- **Evaluate how their business model and common business practices incentivize or facilitate animal rights abuses or poor animal welfare.** This may include a value proposition that incentivizes producers to take shortcuts or increase production at the expense of animal welfare (e.g., overcrowding poultry houses, force molting) as well as workplace culture and regional practices.
- **Consult regularly with livestock and aquaculture workers or other potentially affected stakeholders** to assess the impacts of its operations and business relationships, recognizing that psychological harm can occur among workers who engage in animal cruelty.¹⁹

- **Regularly inspect facilities along the value chain**, including livestock operations, slaughterhouses, meatpacking sites, aquaculture operations, fishing boats, and laboratories, to ensure best practices and technologies are being utilized for animal treatment and safety. In particular, audits include:
 - Animal confinement, transport, and slaughtering practices are assessed by benchmarks in OIE and FARMS standards, such as the *Responsible Minimum Standards*, *Terrestrial Animal Health Code*, and *Aquatic Animal Health Code*.²⁰
 - Nutritional quality of animal feed provided for animals in the company's operations and value chain, recognizing that the quality of nutrition for animals affects not only animal welfare but also the quality and productivity of the final animal protein intended for consumers.
 - The welfare of working, companion, and wild animals, including changes in land use (i.e., habitat destruction) or ecosystem degradation that could threaten wild animal populations.
- **Engage qualified and credible individual experts and expert organizations in on-site impact assessments** regarding the treatment of animals along the value chain. Companies consult with veterinary specialists to ensure proper dosages of antibiotics are used to reduce the risk of antimicrobial resistance (AMR) and ensure hygiene and proper treatment protocols such that risks of food poisoning are minimized, and animal welfare is optimized.
- **If applicable, assess the degree to which their animal testing practices** align with internationally recognized best practices.²¹ For example, the International Organization for Standardization (ISO) now prohibits food companies that use the label “vegan” or “vegetarian” from pursuing animal experiments not required by law.²²
- **Conduct assessments to ensure illegal animal trade is not present at any stage of the value chain**, in accordance with international law.²³ This includes audits of supply chains for minimization of zoonotic disease transfer (i.e., wet markets) and elimination of any illegally trafficked endangered species.
- Cooperate at a sector-wide and, where relevant, cross-sectoral level with governments, workers, international organizations, civil society organizations, and other stakeholders operating on the ground to identify activities and areas that are high-risk for poor animal welfare or related food safety breaches.

3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their comprehensive assessments of animal welfare and impacts outlined in **Step 2** into business decisions, processes, and functions by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific, time-bound intermediate and long-term targets to eliminate and prevent animal rights abuses and poor animal welfare practices that are ambitious enough to contribute significantly to the SDGs' achievement. The intermediate targets are relevant for companies to monitor their and their business relationships' continuous improvement towards meeting the standard. Where possible, indicators measure outcomes, rather than outputs or activities, and are relative, rather than absolute, and express companies' goals in terms of percent-based metrics.

These targets are tailored to the business activities and relationships of companies and based on their assessments of poor animal welfare the company may be linked to, contribute to, or cause. In addition, companies utilize internationally recognized OIE²⁴ and FARMS²⁵ standards as well as the “3R” framework^a for humane animal research to inform their targets and indicators.

The following are some examples of performance indicators to track progress over time:

- By 2030, 100% of relevant business relationships utilize best practices for humane slaughter for livestock type.
 - By 2025, 50% of relevant business relationships utilize controlled atmosphere killing (CAK) for poultry slaughter.
 - By 2030, 100% of relevant business relationships utilize CAK for poultry slaughter.
- By 2030, 100% of business relationships meet humane transport standards.
 - By 2025, 70% of business relationships transport live animals to slaughterhouses in under 8 hours.
 - By 2025, 100% of business relationships have eliminated the use of electric prods to drive animals.

a. The 3R framework guides three overarching objectives to promote more human and ethical animal research: reduction in numbers of animals, refinement of experimental methods, and replacement of animals with non-animal techniques; NC3Rs, “The 3Rs,” 2021, <https://www.nc3rs.org.uk/the-3rs>.



- By 2030, 100% of business relationships have optimized environments for animal welfare for specific livestock types.
 - By 2025, 70% of business relationships have no more than 5 hens per m2 of henhouse floor or usable space.
 - By 2025, 70% of business relationships graze all dairy cattle outdoors on appropriate pasture with suitable protection from the elements (e.g., shed, sufficient tree shade) during all possible days when weather permits (i.e., when temperature or precipitation are not detrimental to animal welfare).

3.2. TAKE ACTION

Where an SDG-aligned company identifies actual or potential animal rights abuses or poor animal welfare in its operations, it takes action to cease, prevent, and mitigate them to align with the standard. Where a company identifies actual or potential of animal rights abuses in its value chain, it uses and increases its leverage to prevent, mitigate, and remediate these risks.

Depending on assessment findings, measures to address actual or potential animal welfare impacts could include:

- **Choosing to source from suppliers that have adopted or have immediate plans to adopt, with company support, production methods that protect animal welfare.** In particular:
 - **Engage with suppliers identified to have not complied with animal rights standards** to influence their practices. Where they are not willing or capable of prompt transition, as a last resort, terminate the relationship. Engage with suppliers classified as, or sourcing from, CAFOs and suppliers that have any of the following practices:
 - **Intensive, close, and forced confinement methods** including the use of sow/gestation crates, veal crates, battery cages, and individual penning; force-feeding; and inappropriately high stocking densities, especially of naturally solitary animals.
 - **Mutilation**, including practices such as dehorning, beak trimming, castration, teeth-clipping, and tail-docking.
 - **Ensuring genetics selection of animals does not compromise animal welfare** (i.e., prioritizing meat yield over chicken motility) and working to source from producers that produce breeds with proven welfare outcomes.

- **Adjusting production methods that are in tension with the ability to respect animal rights and welfare in their operations and value chain, and using leverage to influence and build capacity among suppliers**, including through the provision of financial supports and incentives to align with the standard and employ best practices in humane animal treatment,^b especially with regard to:
 - **Physical Environment:** Ensuring that the five freedoms^c are upheld for all animals in their value chains. In particular, the company ensures animal-welfare aligned environments with respect to:
 - **Confinement and housing:** Ensuring that business relationships provide safe and ample space; protection from predators; comfortable and sanitary substrates (i.e., walking and resting surfaces); proper lighting; adequate ventilation, temperature control, humidity regulation, and air quality; and proper social grouping (i.e., minimizing the risk of distress when solitary animals are in close proximity or, conversely, when social animals are housed individually). Weather permitting, animals are provided access to the outdoors, but in conjunction with adequate shelter and protection from the elements and supplemental feed and water.
 - **Enrichment:** The company uses its leverage to support business relationships in providing adequate, accessible, and species-appropriate enrichment elements (e.g., brushes for cattle, dust baths for chickens) that provide stimulation and opportunities for animals to display natural behaviors.
 - **Nutrition:** The company ensures that business relationships provide sufficient, clean water sources and appropriate quantities and qualities of feeds that meet species-specific nutrient requirements. Where possible, the company supports business relationships in transitioning to pastured or combination systems that allow animals to forage or graze when weather conditions permit, which promotes the expression of natural behaviors and animal wellbeing.

- Best practices align with internationally-recognized standards found in: OIE, "Terrestrial Animal Health Code," 2021, <https://www.oie.int/en/what-we-do/standards/codes-and-manuals/terrestrial-code-online-access/>; Nicky Amos, Rory Sullivan, and Heleen van de Weerd, "The Business Benchmark on Farm Animal Welfare Methodology Report 2018," *SSRN Electronic Journal*, 2019, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3349679; OIE, "Aquatic Animal Health Code," 2021, <https://www.oie.int/en/what-we-do/standards/codes-and-manuals/aquatic-code-online-access/>; FARMS Initiative, "Principles Underlying the Responsible Minimum Standards," 2021, <https://www.farms-initiative.com/wp-content/uploads/2021/02/PRINCIPLES-OF-RMS-COPYRIGHT-FARMS-INITIATIVE-2021.pdf>.
- The internationally recognized 'five freedoms' include: freedom from hunger, thirst and malnutrition; freedom from fear and distress; freedom from physical and thermal discomfort; freedom from pain, injury and disease; and freedom to express normal patterns of behavior.

- Health management and veterinary care:** The company uses its leverage and supports each relevant business relationships in establishing, improving, or upholding a comprehensive animal health management program that is designed in conjunction with veterinary expertise for the specific operational conditions and species and whose scope includes both promotion of optimal animal health as well as disease prevention and control. The program includes appropriate protocols for all salient aspects of animal health, including:²⁶

 - Prevention of disease and parasitic infections through hygiene, vaccinations, etc.
 - Prevention of species-specific health conditions (e.g., lameness and mastitis in cattle).
 - Regular inspection protocols for animal handlers to monitor animal health statuses and recognize early specific and non-specific symptoms of disease.
 - Regular and as-needed (i.e., in the case of injury or illness) veterinary care.
 - Immediate and ongoing care of non-ambulatory and sick animals, including isolation and prompt treatment. If, and only after, adequate treatment has failed and recovery is highly improbable, animals are humanely euthanized in accordance with animal rights standards.²⁷
 - Pain management in the case of injury or procedures that are unavoidable.
 - Use of antimicrobials, including avoidance of their use prophylactically and of the use of other growth-promoting substances that can compromise animal welfare by exceeding their physiological productive or reproductive capacities.
- Ensuring that business relationships employ humane transport and slaughtering practices,** including by minimizing transport time, optimizing holding conditions (i.e., minimizing stress by providing quiet and calm environments, removing distractions and dead ends, installing silencers, etc.), utilization of the most effective and humane pre-slaughter stunning methods, and proper oxygenation and water quality for farmed fish while awaiting slaughter.
- Conducting proper worker capacity building** to provide humane alternatives to internal practices or practices along the value chain that are found to be discordant with good animal welfare. Handling methods result in positive outcomes for both animals and handlers, including mental health impacts for workers; methods should prevent injury, stress, trauma, and panic for both parties. SDG-aligned companies work with business relationships, including through the provision of training and expert consultation, to build skills and knowledge around best practices and animal welfare standards.²⁸
- Striving, where possible, to introduce and emphasize plant-based alternatives or modifying product lines to reduce or substitute animal-intensive foods** (e.g., offering plant-based protein products^d), focusing on phasing out products that are most susceptible to animal welfare impacts, and/or animal welfare-related food safety hazards.
- Eliminating the use of testing on animals** wherever possible. Where this is not possible, focusing on partial replacement (i.e., the substitution of animals that are thought to have no concept of suffering for those that do, according to current science) followed by options that include substantially reducing or refining animal testing efforts to protect animal welfare, especially when considering that the stress induced by testing may bias study results.²⁹
- Using leverage to advocate for increased transparency and higher standards for food labels, claims, and animal welfare-oriented consumer-facing certifications** (such as labels that are potentially misleading for animal welfare purposes. e.g., “free-range” or “antibiotic-free”) to help consumers make purchasing choices that support animal welfare. SDG-aligned companies advocate for the industry to market its animal care standards holistically and accurately. The companies also invest in the research and development of humane livestock practices and, where appropriate, support animal welfare policies that propose and require higher standards for the industry at large. Conversely, the companies do not engage in lobbying for animal-welfare regulation that would negatively affect transparency and accountability (such as ‘ag-gag’/anti-whistleblower laws³⁰) and, instead, actively oppose such legislation.

d. Dietary shifts toward more plant-based foods that maintain protein intake and other nutritional needs could reduce agricultural air quality-related mortality by 68 to 83%; Nina G. G. Domingo et al., “Air Quality-Related Health Damages of Food,” *Proceedings of the National Academy of Sciences* 118, no. 20 (May 18, 2021), <https://doi.org/10.1073/pnas.2013637118>.



4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

SDG-aligned companies establish effective grievance mechanisms that are accessible to stakeholders to report animal rights abuses or instances of poor animal welfare. The grievance mechanisms value violations of the standard and determine the appropriate remedy for impacts on animals, humans, and the environment.

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies commit to respectful, equitable, and transparent cooperation with judicial grievance and remediation processes, where relevant. Where State-based mechanisms order sanctions or remedy, the company complies and uses leverage to ensure its business relationships comply.

4.3. PROVIDE OR ENABLE REMEDY

When an SDG-aligned company identifies that they have, even inadvertently, caused or contributed to poor animal welfare, and resulting damage to animal health, human health, worker psychological wellbeing, or environmental sustainability, in its operations or value chains, it acknowledges its part in the harm done and provides remedy. Where the company did not directly cause harm, it enables remedy through legitimate processes.

Any measures to provide, contribute to or enable remedy is designed in partnership with those impacted and credible, qualified experts. Examples of remedy measures include:

- Working with suppliers to provide rehabilitation and restoration, including daily care and medical treatment per animal welfare and veterinary expertise, for animals that have undergone abuse and/or are in critical condition.
- Providing ecosystem rehabilitation for environmental damages resultant from mistreatment of animals or irresponsible livestock practices (such as water pollution or contamination) in collaboration with local governments and communities, including Indigenous and farmer communities.
- Providing remedy, including workers compensation and enhanced behavioral health benefits (i.e., psychological care), for any human physical and psychological harm that was caused under the conditions of poor animal treatment or subpar working conditions, particularly in meatpacking.³¹

5. TRACK PERFORMANCE

SDG-aligned companies track the implementation of measures to meet the standard within their target dates through qualitative and/or quantitative outcome-based performance indicators. The company partners with credible and qualified, independent experts, suppliers; workers; government institutions; civil society organizations, particularly animal welfare groups, and other stakeholders to design and implement effective tracking and monitoring mechanisms, including the selection of appropriate performance indicators.

The following are some examples of performance indicators to track progress over time in improving animal welfare across the company and its value chain:

- Percentage of livestock or fish that are sourced from producers that stock at or below established, species-specific stocking densities for welfare.^e
- Percentage of animal livestock provided outdoor access for all days that weather permits.
- Percentage of laying hens free from beak trimming.
- Percentage of livestock provided high-quality animal feed and nutrition, as determined by veterinary expertise and established animal welfare nutrition standards.
- Percentage of livestock administered antibiotics in appropriate doses for therapeutic reasons only.
- Percent sourcing of animal-based ingredients sourced from slaughterhouses that utilize species-specific, international best practices, such as controlled atmosphere killing.³²
- The number of incidents per reporting period of injury, disease, and malnutrition in animals in the company's operations.
- Trends in veterinary scoring of animals' preferences, motivations, and aversions as proxies for humane handling and environmental adequacy, including enrichment efforts.³³
- Percentage of facilities and plants for animal-derived products that meet higher welfare standards, as audited or certified by independent third parties, such as OIE standards.
- Percent replacement of animals with humane alternatives in testing practices.³⁴
- Percentage of animal-based proteins replaced by plant-based or humane alternatives.³⁵

e. Details on acceptable stocking densities can be found in: Nicky Amos, Rory Sullivan, and Heleen van de Weerd, "The Business Benchmark on Farm Animal Welfare Methodology Report 2018," *SSRN Electronic Journal*, 2019, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3349679.

6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their animal welfare commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts on animal welfare in their operations and value chain, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:

- **Findings of the animal welfare assessment**, including specific handling, environmental, confinement, feeding, healthcare, transport, or stocking practices and geographical locations of operations in the company's value chain found to be actual or potential risks to animal rights abuses or causes of poor animal welfare. The company also discloses how it arrived at the results of this assessment, including any expert involvement and established standards (e.g., FARM Initiative's "Responsible Minimum Standards") used as metrics.
- **Measures undertaken during the reporting period to cease practices associated with animal rights abuses and to promote good animal welfare.** This includes information on changes across the value chain to animal handling, housing/confinement, healthcare, feeding practices, environmental conditions, transport, and slaughter. It also includes changes in any direct activities undertaken by the company, including animal testing. Finally, the company discloses contractual changes with suppliers, specifying what animal welfare requirements were implemented, and supports (i.e., financial incentives or extension services) were provided to aid suppliers in complying.
- **Any measures the company has taken with industry partners, civil society organizations, multi-stakeholder groups, governments, and other stakeholders** to address animal welfare or to standardize labeling of animal welfare benefits of products.
- **Progress on relevant performance indicators, even when progress is not as good as expected and the targets set are not met.** When the company fails to meet its targets, it discloses key learnings and delineates how it is modifying its strategy and efforts to still achieve intermediate and long-term targets to align its company's practices with the SDGs and ensure good animal welfare across its value chain.
- **Any cases where animal rights abuses were identified, specifying how they were identified,** what elements of the standard were violated, and the steps taken to both remedy the impact and prevent further such impacts, including changes to contractual agreements or sourcing partnerships (e.g., termination of relationship) and capacity building activities.

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ENDNOTES

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PILLARS 2 & 3

SUSTAINABLE
OPERATIONS &
VALUE CHAINS

11

LIVING WAGES
& INCOMES

STANDARD



11

LIVING WAGES
& INCOMES

Commitment

Pay living wages to all workers and ensure workers are paid living wages and producers earn living incomes in the value chain and the broader ecosystem.

Soybean Farmer.
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Aligning a company's practices with the SDGs entails paying living wages to all its workers, and using leverage^a in the company's value chain and broader ecosystem to ensure workers are paid living wages and producers earn living incomes.^b Living wages and incomes are those that afford a decent standard of living for people and their families where they live.^c The concept of a decent standard of living goes beyond survival or meeting basic needs,¹ and represents the ability to live a healthy life, have physical and social mobility, and

participate in one's community.² Elements of a decent standard of living include "food, water, housing, education, health care, transportation, clothing, and other essential needs, including provision for unexpected events."³

- a. Leverage is the "ability of a business enterprise to effect change in the wrongful practices of another party that is causing or contributing to a [human rights] impact" (Source: International Labour Organization and International Organisation of Employers, "ILO-IOE Child Labour Guidance Tool for Business: How to Do Business with Respect for Children's Right to Be Free from Child Labour," 2015, https://shiftproject.org/wp-content/uploads/2015/12/ILO-IOE-Child-Labour-Guidance_Web_20151224.pdf).
- b. Income can refer to total household income, employment-related or labor income, farm income, or crop income. For the purposes of this report, income refers to the total annual household incomes of farming households. "Total household income for a farming household may come from multiple sources – on-farm income sources (net revenues from farming or livestock activities) and off-farm income sources (such as revenue from wage work). Farming families often also grow their own food or timber on their property, which can cover some of the costs of food and housing." (Source: Kristin Komives et al., "Defining, Calculating and Using a Living Income Benchmark in the Context of Agricultural Commodities: Discussion Note," May 2015, http://docs.wixstatic.com/ugd/0c5ab3_a7f0140e754b4754afb55ea19cd0b583.pdf).
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Not only are living wages and incomes required for workers' and producers' dignity to be respected, but achieving living wages and incomes across the value chain supports the adoption and achievement of other socially and environmentally sustainable practices and objectives.⁴ For example, producers are unlikely to invest in sustainable agricultural production practices if they cannot earn a margin on current practices, and it is less likely that children will have to work if farms are profitable and farmworkers earn a living wage.

For many of the more than 2 billion people who depend on small farms for their livelihoods, incomes are currently insufficient to support a decent standard of living.⁵ An estimated 65% of the world's poor working adults made a living through agriculture,⁶ and large-scale interventions are required to change the conditions that lead to poverty for smallholders. In fact, "[f]armers' share of the end consumer price of a typical food basket has decreased by 44% since 1998, while input suppliers, traders, food manufacturers, and supermarkets have all increased their share."⁷ Workers and farmers deserve to receive a fair share of the value they create by feeding the world, and to have the means to live free of poverty and hunger.

Globally, workers throughout the food system, including in processing factories, distribution centers, restaurants, supermarkets, and farms, who are frequently paid insufficient wages to maintain a decent standard of living, are seeking out opportunities in other sectors that pay better.⁸ Living wages and incomes would enable workers and producers to remain in the food sector, support the long-term resiliency of food systems, and therefore significantly contribute to reducing risks in the supply chains of food companies.

Nevertheless, living wages and incomes remain a persistent challenge across the food sector, which is partially due to the numerous complexities their achievement presents for companies.⁹ Food companies often struggle to grasp the level of responsibility and influence they have in ensuring that farmers and workers earn living incomes.¹⁰ They often burden farmers with most of the risks and costs for implementing living wage and income interventions and provide them with very little voice in their development and implementation.¹¹ As a result, many of these interventions end up inadvertently excluding the most marginalized farmers and workers, and exacerbating inequalities.¹² For example, living income and wage interventions and benchmarking methodologies that are not gender-sensitive often end up widening gender income gaps.¹³ Additionally, complying with the minimum wage in each country of operation is generally not sufficient, as many legal minimum wages are below the amount that would be considered a living wage in a particular place.¹⁴ Contexts where governments fail to uphold their duty to establish policies and programs to address producer and farmworker poverty, do not exempt food companies from their responsibility to respect human rights.¹⁵ Companies are therefore responsible for identifying and changing any practices that contribute to the impoverishment of producers and workers and using leverage to influence actors in their value chains to do the same.¹⁶

While achieving living wages and incomes across the whole food value chain presents many more challenges, the conditions experienced by a large percentage of its farmers and workers violate the human right to an adequate standard of living.¹⁷ Food companies must therefore work towards achieving living wages and incomes in their operations and value chains to fulfil their responsibility to respect human rights. Moreover, to align themselves with the SDGs, companies should not view the achievement of living wages and incomes as end goals in themselves, but as a step towards enabling producers and workers to earn incomes that secure true prosperity.¹⁸ More broadly, companies that seek to align themselves with the SDGs should contribute to the holistic sustainable development and resiliency of communities, which at times may require supporting and not impeding the transition of workers and producers away from agriculture in regions and for commodities that lack economic viability, and towards better opportunities in other sectors.

BOX 8: ADDITIONAL RESOURCES AND TOOLS FOR LIVING WAGES AND INCOMES

- IDH Platform to Secure Living Wages in Supply Chains.¹⁹
- The Living Income Community of Practice.²⁰
- Defining, Calculating, and Using a Living Income Benchmark in the context of Agricultural Commodities.²¹
- Malawi Tea 2020: Revitalization Programme Towards Living Wage.²²
- Programme for sustainable agricultural supply chains and standards.²³



SDG 1 – No poverty

Target 1.1: By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.

Target 1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.



SDG 10 – Reduced inequalities

Target 10.1: By 2030, progressively achieve and sustain income growth of the bottom 40 percent of the population at a rate higher than the national average.

Target 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.

Target 10.4: Adopt policies, especially fiscal, wage, and social protection policies, and progressively achieve greater equality.



SDG 8 – Decent work & economic growth

Target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation.

Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Target 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour.

Target 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

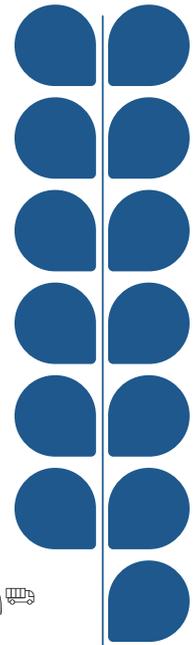


SDG 5 – Gender equality

Target 5.a: Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance, and natural resources, in accordance with national laws.

SDG-ALIGNMENT: THE STANDARD DIRECTLY CONTRIBUTES TO ACHIEVING THE FOLLOWING SDGS:

This standard indirectly contributes to a wide range of SDGs (including SDG 2; SDG 3; SDG 4; SDG 6; SDG 7; and SDG 11).



SUSTAINABLE OPERATIONS
SUSTAINABLE VALUE CHAINS



STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior level of SDG-aligned companies adopt a policy based on their commitment to respecting the human rights to food and health, including by ensuring food safety across its operations and business relationships. The policy:

- Aligns with and references the international standards listed in Box 9.
- Includes a commitment to pay, and to use leverage to ensure business relationships pay living wages.²⁴
- Includes a commitment to use leverage to ensure producers in their supply chains earn a living income.²⁵
- States that, where the national law of the territory where a company and its business relationships operate differs from international law, the company meets the higher standard.²⁶ In other words:
 - If the legal minimum wage in a territory where a company operates or has business relationships is below the living wage necessary for a worker and their family's official entitled dependents to meet decent standard of living, including some discretionary income,²⁷ the company pledges to pay, and use its leverage to ensure business relationships pay, a living wage.
 - If there is not a minimum wage regulation in the territory where a company operates or has business relationships, the company pledges to pay or use its leverage to ensure its business relationships pay, living wages to workers.²⁸

BOX 9: INTERNATIONAL HUMAN RIGHTS STANDARDS RELATED TO LIVING WAGES AND INCOMES

- Universal Declaration of Human Rights, Article 23.²⁹
- International Covenant on Economic, Social, and Cultural Rights.³⁰
- ILO Protection of Wages Convention No. 95.³¹
- ILO Minimum Wage-Fixing Machinery Convention No. 26.³²
- ILO Minimum Fixing Convention No. 131.³³

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Communicate expectations for implementing the policy commitment internally and externally, including to their workforce, shareholders, subsidiaries' governing bodies, and business relationships.
- Build the capacity of the internal personnel involved in integrating the policy so that they have the skills to assess business practices against international living wage and living income standards and best practices.³⁴
- Integrate the policy, along with key performance indicators, into their procurement policies, responsible sourcing policies, and in all contract terms with suppliers, clients, and employees.
- Integrate the policy into by-laws, other governance documents (i.e., Code of Conduct, Code of Ethics), and management procedures.
- Ensure their business practices and the incentives they create do not contradict the policy commitment in form or substance.

2. ASSESS ACTUAL & POTENTIAL IMPACTS

SDG-aligned companies identify and assess actual or potential instances of non-compliance with living wage and income standards in their business operations and value chain on an ongoing basis, and in alignment with the ILO labor standards. The companies employ a recognized methodology to assess if wages paid to workers in their business operations and value chain are sufficient for them and their families to afford a decent standard of living in the places where they live and work. They assess the prices paid for goods in regards to recognized costs to produce those goods and whether the prices enable producers to reach a living income, taking into account those income drivers that may be beyond their control such as productivity levels and land size.³⁵ For each of their operating and sourcing countries, SDG-aligned companies:

- Use an accurate benchmark⁴¹ based on a robust methodology to identify living wages and living incomes to achieve a decent standard of living for workers' and producers' households in the regions where they live. The benchmark used accounts for the cost of the market basket of goods and services normally consumed by residents in the areas where the companies and business relationships operate.³⁶ These goods and services typically include housing, food, transportation, energy, education, health care, and a margin for emergencies. The benchmark used is detailed on the items included in the cost estimation of a decent standard of living.
 - SDG-aligned companies may reference the IDH Recognized Living Wage Benchmark Tool to identify available recognized benchmarks for the most recent years by country and region;³⁷ to be recognized by IDH, living wage benchmarks must meet a robust set of objective criteria of minimum elements.³⁸
- Consult with workers and producers to make an informed determination of their needs that should be factored into the calculations of living wages and living incomes.³⁹
- Contract reputable third-party researchers to conduct the calculations, with the participation of local experts, according to the above specifications where a benchmark does not already exist in a given context.
- Regularly assess actual and potential gaps between wages paid and the living wage, and between incomes earned and the living income, based on the benchmark's determination of the relevant living wages and living incomes to achieve a decent standard of living for the households of workers and producers.

d. A living wage benchmark is "a target wage level for a particular place that reflects both the cost of a decent standard of living in that place and our expectations about how much the wage received by one worker can reasonably be expected to contribute to supporting a decent standard of living for an average family." (Source: Komives et al., "Defining, Calculating and Using a Living Income Benchmark in the Context of Agricultural Commodities: Discussion Note.")

BOX 10: THE ANKER METHODOLOGY⁴¹

The Anker Methodology for Calculating the Decent Standard of Living for Households, and a Living Wage for workers is a recognized best practice methodology, based on ILO and WHO standards, because it:

- Includes in the estimation of the cost of food, the cost of a low-cost nutritious diet that meets the World Health Organization recommendations on calories, macronutrients, and micronutrients, in addition to considering the cost of workers' *typical* food choices.⁴² This nutritious diet should also be consistent with local food preferences and the country's development level.⁴³
 - Regarding housing costs, it uses international (UN-Habitat) and national standards for decency.⁴⁴
 - It also includes standardized guidance for calculating the costs for non-food, non-housing items such as health care, education, and transport.
 - It includes a standard margin for savings and emergencies.
 - It is based on a process of stakeholder engagement to ensure ownership and voice of workers, producers, civil society, industry, and government.
- For living wages, consider whether (1) wages are paid on time; (2) wages correspond to the workers' working time (regular working hours and overtime); (3) deductions are made, and allowances and social benefits are adequately provided, in accordance with the law and collective bargaining agreements; (4) social security contributions are paid, collected and submitted to the relevant institutions; (5) leaves are adequately recognized and paid; (6) wage levels do not differ by gender, race, nationality, or other factors, which may constitute wage discrimination; and (7) regular working hours do not exceed the limits set forth in international labor standards.⁴⁰

To conduct this gap assessment for living wages and living incomes, SDG-aligned companies:

- Regularly consult with potentially affected workers and producers to assess the impacts of their operations and business relationships.⁴⁵



- Apply appropriate assessment methods to effectively communicate with culturally diverse communities and workers of different ages, particularly with children, adolescents, and migrant workers who are the most vulnerable to inadequate wages and incomes.
- Engage qualified and credible individual experts and expert organizations in on-site impact assessments, in particular, in areas where there is a high risk that living wages are not paid or living incomes are not achieved.
- Regularly conduct assessments of suppliers' practices, including related to ensuring workers have access to identity documentation and written contracts, before entering into relationships with suppliers and other business partners, and throughout the business relationship.⁴⁶
- Apply appropriate verification methods to ensure that management and other staff are not able to conceal non-compliance with living wage and income standards, or present themselves in a misleading light (e.g., if relying at all on social audits, ensure that these are not announced to management ahead of time).
- Cooperate at a sector-wide and, where relevant, cross-sectoral level with governments, workers, international organizations, civil society organizations, and other stakeholders operating on the ground on collective monitoring initiatives to identify activities and areas where there is a high risk that living wages are not paid or living incomes are not achieved.⁴⁷ In particular, the companies participate in, and support the development of, worker-driven monitoring initiatives with living wage mechanisms, such as the Fair Food Program,^e through which buyers pay an additional premium that is tracked "through the supply chain and to its final distribution as a line-item bonus on workers' pay checks."⁴⁸
- Carry out thorough gender analyses to inform their living wage interventions that include the collection of gender-disaggregated data on incomes, land tenures, roles performed, control over finances, and unpaid responsibilities.⁴⁹

e. For example, the Fair Food Program is a worker-driven social responsibility program based on a "partnership among farmers, farmworkers, and retail food companies that ensures humane wages and working conditions for the workers who pick fruits and vegetables on participating farms." It has been recognized as by the UN Working Group on Business and Human Rights "a groundbreaking model for promoting labour rights." UN Working Group on Business and Human Rights, "Report of the Working Group on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises: Visit to the United States of America," May 6, 2014, <https://documents-dds-ny.un.org/doc/UNDOC/GEN/G14/024/76/PDF/G1402476.pdf?OpenElement>.

SDG-aligned companies consider the challenges presented by their business model, as well as root causes and risk factors in the local context, including by assessing:

- Whether their business models and common business practices incentivize or facilitate the non-payment of living wages and the inability of producers to earn a living income. Such common business practices include: (1) contractual terms on payments to suppliers that hinder the suppliers' capacity to guarantee decent work conditions to their workforce; (2) prices paid for the agricultural commodities the company sources, as well as the price volatility of those commodities, are insufficient to enable smallholder producers to cover the costs of sustainable production and earn living incomes;⁵⁰ (3) workers are paid in cash rather than through a more traceable method.
- The strength of minimum wage regulations and enforcement in the regions where the company has operations and business relationships, including suppliers and producers.
- The presence of high rates of migrant workers, informal workers, young workers, or rural workers. These groups may be particularly vulnerable to being excluded from minimum and living wages protections.

3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their assessments of any actual or potential instances of non-compliance with living wage and income standards into relevant internal functions and processes by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific time-bound intermediate and long-term targets to address non-payment of living wages and the inability of producers to earn living incomes that are ambitious enough to contribute significantly to the SDGs' achievement, particularly SDGs 1, 8, and 10. The intermediate targets are relevant for the companies to monitor their and of their business relationships' continuous improvement towards meeting the standard. Where possible, indicators measure outcomes rather than outputs or activities. These targets are tailored to the company's business activities and relationships based on their assessments of actual and potential living wage and living income impacts which the company may be linked to, contribute to or cause. The following are some examples of targets:

- By 2030, 100% of the company's workforce and those who directly provide goods and services to the company earn living wages or incomes.^f
- By 2022, a living wage calculation methodology will be applied in 50% of the company's operating sites and value chain business relationships.
- By 2023, the company implements automatized and robust payroll systems for workers in processing and bottling facilities, allowing wages payments to be more traceable, and by 2025 ensures these are implemented with all direct business relationships.
- By 2022, the company adopts a working time and wage payment tracking platform that allows workers in processing and bottling facilities to record their weekly timesheets, submit them for supervisors' approval, and monitor wage payments. By 2025, the company ensures these are implemented with all direct business relationships.
- By 2030, 80% of sourcing is done through "responsible contracts" described above.
- By 2025, 80% of the company's sourcing comes from producers or democratically-run farmer organizations the company has sourced from for three years or more.
- By 2025, 80% of the countries from which the company sources have living income and living wage benchmarks.⁵¹

3.2. TAKE ACTION

SDG-aligned companies integrate the findings of their assessments of risks and impacts into relevant internal functions and processes. They take appropriate action to cease, prevent, and mitigate negative impacts, and use leverage to prevent and mitigate negative impacts in their broader ecosystems.^g Depending on the specific risks and impacts identified, measures to address actual or potential instances

f. For example, Unilever has committed to "ensuring that everyone who directly provides goods and services to the company earns at least a living wage or income, by 2030. We already pay our employees at least a living wage, and we want to secure the same for more people beyond our workforce, specifically focusing on the most vulnerable workers in manufacturing and agriculture. We will work with our suppliers, other businesses, governments and NGOs – through purchasing practices, collaboration and advocacy – to create systemic change and global adoption of living wage practices." (Source: Unilever, "Unilever Commits to Help Build a More Inclusive Society," January 21, 2021, <https://www.unilever.com/news/press-releases/2021/unilever-commits-to-help-build-a-more-inclusive-society.html>.)

g. For example, in Unilever's commitment to "ensuring that everyone who directly provides goods and services to the company earns at least a living wage or income, by 2030," the company states, "We already pay our employees at least a living wage, and we want to secure the same for more people beyond our workforce, specifically focusing on the most vulnerable workers in manufacturing and agriculture. We will work with our suppliers, other businesses, governments and NGOs – through purchasing practices, collaboration and advocacy – to create systemic change and global adoption of living wage practices." Unilever, "Unilever Commits to Help Build a More Inclusive Society."

of workers receiving less than a living wage or producers earning less than a living income include:

- **Adjusting business models**, including revenue models, where they are in tension with the ability to respect human rights in operations and the value chain by:
 - Ensuring that the business model accounts for the cost of wages, incomes, and benefits.
 - Ensuring that the revenue model facilitates the payment of living wages and earning of living incomes. It does not place pressure on procurement and legal functions that would require them to prioritize low prices and short-term relationships at the expense of living incomes and wages.
 - Ensuring that the business model supports inclusive sourcing and operations by considering impacts on vulnerable workers and communities. Where SDG-aligned companies invest in geographies that have high levels of worker and farmer poverty, they work towards continuous improvement against the living income and living wage standard.
- **Establishing business practices that align with the standard**, including:
 - **Overtime management:** To reduce excessive overtime schedules, human resources capacity is aligned with business production targets, including by implementing adequate planning procedures, and uses leverage to influence business relationships to do the same.⁵²
 - **Formal employment schemes:** Contracts are written in a language that each worker understands. They specify workers' rights concerning the retention of documents, working hours and overtime, wages, and other labor rights and obligations.⁵³ Leverage is used with business relationships, including recruitment agencies, to influence the implementation of formal employment schemes along the value chain.⁵⁴ When a company identifies that it has business relationships with informal, unregulated employment schemes, it uses its leverage to influence these business partners to adopt formal employment procedures.
 - **Hourly wages to workers in lieu of piece rates:** Adopting and using leverage to influence business relationships to pay hourly rates to agricultural workers instead of piece rates.
 - **Purchasing and pricing practices that facilitate living incomes and wages**, for example:
 - Planning, forecasting, and paying suppliers promptly, and accounting for the cost of wages, benefits, and investments in decent work and sustainable production in pricing.⁵⁵
 - Setting procurement incentives for suppliers (e.g., price premiums) that meet the highest labor standards.⁵⁶



- Establishing more direct relationships with suppliers and working towards overcoming fragmentation in their supply chains in order to have better insight into and influence on incomes of farmers and wages of workers.⁵⁷
 - **Responsible contracts:** Facilitating the payment of living incomes and wages in agricultural sourcing through responsible contracts with producers or democratically-run farmer organizations. These should include the following features: (1) establish long-term relationships; (2) guarantee minimum prices^h that account for production costs, inflation, and the local decent standard of living;ⁱ (3) avoid overly restrictive quality specifications; and (4) include secure and predictable order volumes.^j
 - **Addressing specific instances** of living wages not being paid that are identified within company operations or value chains, by taking immediate corrective actions. SDG-aligned companies adjust or use their leverage with business relationships to ensure the adjustment of, a worker's wage to align, at least, with the living wage. Formal processes are established by the companies to create corrective action plans with business relationships found to violate their policies and contractual obligations related to living wages in their operations and business relationships.⁵⁸ Corrective action plans include (1) potential actions that should be taken in case of noncompliance, in line with the sourcing, production, or sale context, (2) a means to verify remediation, and (3) potential consequences if corrective actions are not taken (e.g., suspension of orders until corrective action is taken to prevent and mitigate the impact).⁵⁹
 - **Implementing, and using leverage to ensure business relationships implement, adequate management systems to ensure living wages are paid.**⁶⁰ SDG-aligned companies provide business relationships with support and technical guidance in that regard.⁶¹ Such management systems include a robust payroll system that keeps accurate records, reduces the risk of fraud and payment inaccuracies, facilitates the on-time payment of wages, and provides clear, accurate wage statements and payroll slips to workers. These management systems ensure wages for ordinary hours of work are paid in line with employment contracts or collective bargaining agreements; overtime hours are paid at the correct rate; regular hours or overtime hours worked at night, on weekly rest days or public holidays; deductions from wages in line with national and collective bargaining agreements; payment of all legally required leaves; and social security contributions.⁶²
 - **Building capacity internally and externally** (in the workforce and with business relationships, including employment agencies), and providing ongoing support on how to identify, eliminate, and prevent inadequate wages and incomes. Additionally, SDG-aligned companies support farmers in upgrading to higher value-added commodities or activities.⁶³
 - **Participating in industry-wide or cross-industry legally binding collective agreements and multistakeholder sectoral initiatives** that set living wages and incomes,⁶⁴ and enable collective bargaining and fairer value distribution, such as Malawi Tea 2020⁶⁵, World Banana Forum,⁶⁶ or the Sustainable Coffee Challenge Collective Action Network on Well Being & Prosperity.⁶⁷ When participating in any multistakeholder initiative, SDG-aligned companies use their leverage to align the governance, standards, transparency, traceability, and support for workers and producers with international living wage and living income standards.⁶⁸
 - **Participating in worker-driven initiatives with living wage mechanisms** and premiums to support the payment of living wages to workers, such as the Fair Food Program.⁶⁹
 - **Explicitly making women a target beneficiary group of living income interventions** to ensure that they benefit directly.⁷⁰ The obstacles to earning living incomes are gender-specific, including differences in access to land, control over household finances, the time burden of care duties, and access to technical skills.⁷¹ Therefore, SDG-aligned companies collaborate with women and women's rights organizations to develop and implement living wage interventions and identify opportunities to engage men to contribute.⁷²
 - **Supporting farmer organizations and cooperatives** to ensure that farmers have a voice and bargaining power in living income discussions, and to facilitate their collaboration in the development and implementation of interventions.⁷³
 - **Supporting the development of technological solutions and procedures that improve traceability** to the producer, in order to assess and verify whether payment of fair prices results in producers earning a living income.
- h. For example, in 2017, M&S reported on its project with Traidcraft, the Kenyan Human Rights Commission, its UK importer, its Kenyan supplier, and members of the its own buying team to raise income from horticultural crops and reduce wastage of harvested crop. In the case of green beans, M&S reports it decided to change the product specification so that smallholders would be paid for a greater range of green bean lengths. M&S, "M&S Human Rights Report 2017," June 2017, <https://corporate.marksandspencer.com/documents/plan-a-our-approach/mns-human-rights-report-june2017.pdf>.
- i. For example, Sainsbury's reportedly uses a cost-of-production model for purchasing milk in the UK. (Source: Sainsbury's, "Supporting British Dairy Farmers," accessed May 20, 2021, <https://www.sainsburys.co.uk/webapp/wcs/stores/servlet/gb/groceries/get-ideas/delivery-and-guides/fair-price-for-milk?storeId=10151&langId=44&krypto=Xf%2BbXwwZ09WuJkk%2BaIXCoHL5Kppc4iZ%2B8XH8BdLQZZPVqO58q3omyrY8nxzbyRoVKMVZelQLFLB4%2F2G7qgbF87N6eykP%2FK3bT9je%2F7vn8Tr2MV2p18%2FtoW53CAkCiytkU1ZiPp%2FtWJ2tprxja%2BrdS4wZy7aNmLgOMx6J7e%2Bk%3D&ddkey=https%3Agb%2Fgroceries%2Fget-ideas%2Fdelivery-and-guides%2Ffair-price-for-milk>).
- j. For example, in 2017, M&S reported on its project with Traidcraft, the Kenyan Human Rights Commission, its UK importer, its Kenyan supplier, and members of the its own buying team to raise income from horticultural crops and reduce wastage of harvested crop. In the case of green beans, M&S reports it decided to change the product specification so that smallholders would be paid for a greater range of green bean lengths. M&S, "M&S Human Rights Report 2017."

- **Supporting producers in vulnerable circumstances**, including by (1) providing grants or additional payments to producers during low prices crises; (2) developing funds to financially support producers adopting sustainable agricultural practices; (3) supporting producers in managing price risk through the use of price risk management tools; (4) providing financial assistance to manage phase-out periods needed for replanting and diversifying; (5) supporting producers in accessing credit and financing with flexible repayment terms.⁷⁴
- **Providing technical support to producers**, including (1) supporting producers in increasing efficiency, including by providing access to improved inputs, technical training, support in managing climate-related risks; (2) supporting producers in diversifying crops and income streams.⁷⁵
- **Supporting and not impeding State action to achieve and address non-payment of living wages** through collective action with peer and cross-industry companies, and in coordination with communities and civil society organizations. State action SDG-aligned companies advocates for may include (1) aligning the legal minimum wage with the living wage; (2) stronger mechanisms to enforce labor rights regulations, including enforcement of the legal minimum wage, in the jurisdiction;⁷⁶ (3) more robust public policies and social safety net.
- **Using leverage to promote and not impede State action to achieve living incomes** for producers through collective action with peer and cross-industry companies, and in coordination with communities and civil society organizations.^k

4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

To ensure those who are denied living wages and who suffer due to an inability to earn living incomes in their value chains have access to

- k. For example, (1) Olam reports its Cocoa Compass aims to help 60,000 cocoa farmers in its supplier network to achieve a living income by 2024, and 150,000 farmers by 2030; and (2) Tony's Chocolonely shares on its website insights on the living income reference price for cocoa with the chocolate industry. (Sources: OXFAM International, "Living Income: From Right to Reality"; Tony's Chocolonely, "Living Income Model," accessed November 12, 2021, <https://tonyschocolonely.com/us/en/living-income-model>.)
- l. As defined by the UNGPs' Effectiveness Criteria for Non-Judicial Grievance Mechanisms ("In order to ensure their effectiveness, non-judicial grievance mechanisms, both State-based and non-State-based, should be: (a) Legitimate... (b) Accessible... (c) Predictable... (d) Equitable... (e) Transparent... (f) Rights-compatible... (g) A source of continuous learning... Operational-level mechanisms should also be: (h) Based on engagement and dialogue...") (see UNGP 31 for further information). (Source: United Nations, "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework.")

remedy, SDG-aligned companies have and use leverage to ensure their business relationships have, effective grievance mechanisms in place.⁷⁷ These mechanisms are accessible to their workers, value chain workers, and any person from the community to report non-compliance with living wages and living income standards and their impacts (e.g., operational-level grievance mechanisms, hotlines with effective grievance handling procedures).¹ The companies provide training or develop actions to communicate the existence and operation of such grievance mechanisms to all potentially affected stakeholders and communities.⁷⁸

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies refrain from using legal waivers that preclude access to judicial recourse for victims of minimum wage violations. The companies cooperate with and support legitimate judicial and non-judicial State-based mechanisms to report and adjudicate minimum wage violations.⁷⁹ Where State-based mechanisms order sanctions or remedy in relation to other human rights impacts, the companies comply and use leverage to ensure their business relationships comply.

4.3. PROVIDE OR ENABLE REMEDY

When an SDG-aligned company identifies that it has caused or contributed to an instance of inadequate wages or incomes in its operations or value chain, it acknowledges its part in the harm done and provides remedy through legitimate processes. Where the company did not cause or contribute to the harm directly, it enables remedy through legitimate processes. Some remedy actions include:⁸⁰

- Paying all wage amounts that the company owes to workers who received wages that did not meet the living wage, including interest for late payments.
- Paying wage-related allowances, benefits, and contributions that were not correctly paid to workers. Correct any inaccurate contribution of this kind before the competent social security and labor institutions, and pay interest for late payments.

5. TRACK PERFORMANCE

SDG-aligned companies track, on an ongoing basis and through qualitative and/or quantitative outcome-based performance indicators, the implementation of actions it takes to align with the standard. In particular, the company monitors whether actions are implemented within its target dates. The following are some examples of performance indicators to track progress over time:

- Percentage of a company's operating sites and value chain business relationships in which a living wage calculation methodology has been applied.



- The number of claims before judicial and administrative authorities due to minimum living wage non-compliance.
- The number of complaints received from workers and producers in the company's operations and value chain related to payment below a living wage and earnings below a living income.
- For each agricultural product, per country and sub-region: (1) the median cost of production and (2) the median price the company pays for that agricultural product.
- Percentage of product orders placed with sufficient time to ensure working hours under international law are not exceeded.
- Percentage of sourcing of each agricultural commodity done through "responsible contracts" described above, specifying percentage from each country of origin.
- Percentage of sourcing from the same producers or democratically-run farmer organizations for three years or more, and the median longevity of supplier relationships per agricultural commodity.
- Percentage of the company's new or re-negotiated contracts which factor in living wage and living income benchmarks as a non-negotiable cost for the determination of price and contract terms.⁸¹
- Percentage of the countries from which the company sources that have reliable and current living income and living wage benchmarks.⁸²
- Contributions to public, private, and other partnerships that focus on closing living income and living wage gaps.⁸³

The companies partner with trade unions, suppliers, government institutions, civil society organizations, and other stakeholders to design and implement effective tracking and monitoring mechanisms. Methods to track progress include:⁸⁴

- Third-party human rights impact assessments and labor rights-oriented audits (on-site & off-site)
- Surveys, interviews, other feedback mechanisms to collect perspectives from workers, and other potentially affected stakeholders, including trade unions and civil society organizations, focusing on those most vulnerable to impacts (e.g., migrant workers, young workers).
- Complaints and grievances raised through grievance mechanisms.

6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their living wages and incomes commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts on living wages and incomes in their operations and value chain, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:

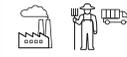
- Internal business and value chain operations considered as having significant risk for cases of payment below a living wage and earnings below a living income, specifying the geographic locations where these can occur.
- Methods used to assess operations and business relationships to identify and measure this risk for cases of payment below a living wage and earnings below a living income.
- Measures undertaken during the reporting period to prevent living wage and living income impacts from occurring in its business operations and value chain. This includes disclosure of information on the implementation of management systems, such as the application of a robust methodology to determine living wages in the areas where the company and business relationships operate, what efforts the company is making to meet the standard, and verify progress in its operations and value chain.⁸⁵
- Any incident of payment below a living wage and earnings below a living income identified in its business operations and value chain, specifying the number of workers and/or producers affected, the type of work performed by them, the business relationship involved (e.g., first-tier supplier, below-first tier supplier, client), and the geographic location.
- How each incident of payment below a living wage or earnings below a living income was identified.⁸⁶
- How remedy was provided or enabled for actual impacts related to cases of payment below a living wage and earnings below a living income found in its operations and value chain.
- Analysis of trends demonstrating progress and, where appropriate, explaining lessons learned from stagnation or decline, towards meeting the standard and achieving intermediate and long-term targets in its business operations and value chain.⁸⁷

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PILLARS 2 & 3
SUSTAINABLE OPERATIONS & VALUE CHAINS

12

RESOURCE RIGHTS

STANDARD



Commitment

Respect all legitimate resource and tenure rights, and support smallholder farmers and communities in retaining and defending their natural resource rights, with a particular focus on vulnerable rights holders.

Falisse tending to her crops in the Zambezi valley of Mozambique.
 © Marcos Villalta/
 Save the Children

Land is a finite resource, and globally, a set of contributing factors are increasingly putting pressure on natural resources and contributing to increasing land inequality. In the absence of adequate legal regimes and enforcement, agribusiness activities often cause negative impacts on local communities' rights to land, water, and other natural resources. The largest 1 percent of farms operate on more than 70 percent of the world's farmland, threatening the livelihoods of an estimated 2.5 billion people involved in smallholder agriculture, as well the world's poorest 1.4 billion people, most of whom depend largely on agriculture for their livelihoods.¹ By promoting alternative investment models that enable smallholders to strengthen their land rights, food companies can therefore contribute to addressing land inequality.

Even when companies have a government's permission to develop or operate on a land concession, they are likely to infringe on people's basic rights if they do not have the free, prior, and informed consent (FPIC) of relevant individuals or communities.² This is because, in most jurisdictions, there are legitimate rights holders – with customary, collective, or usage rights over lands, fisheries, and forests³ – whose rights are not formally recognized in statutory law.⁴ Companies thus cannot rely solely on government permission to use land. Doing so without the FPIC of rightsholders constitutes a failure to respect those tenure or resource rights, and often results in the infringement of other human rights.⁵



Communities also experience obstacles to accessing other natural resources, including water and seeds. Water rights are impacted by both water pollution and water scarcity caused by the depletion of local water reserves by industrial or agricultural activities.⁶ Impacts on all of these resource rights disproportionately affect certain communities and community members, including Indigenous peoples and women.

Globally, Indigenous peoples^a experience disproportionate economic insecurity^b, and their lands, territories, and natural resources are essential for their basic needs and livelihoods, as well as for socio-cultural and spiritual reasons. According to both the UN Declaration on the Rights of Indigenous Peoples (UNDRIP)⁷ and ILO Convention No. 169,⁸ Indigenous peoples have the rights to the lands they have traditionally occupied, as well as a right to determine their development, which gives rise to interrelated rights to consultation and participation, and a requirement for their FPIC.⁹ Ensuring the choice to give, or withhold FPIC to a project or activity that is planned to take place on their land is not only a recognized right of Indigenous peoples under international law but also benefits companies and investors by helping to mitigate risks.¹⁰

At the same time, women, make up more than 43% of the agricultural labor force but own less than 15% of the world's land.¹¹ They are often excluded from formal and informal natural resource rights and enjoy limited agency over and are left out of decision-making regarding those rights.¹² Companies can play a critical role in protecting women's land rights by ensuring that no forms of exploitation of women in their supply chains are ever tolerated¹³ and by meeting their commitments under the Beijing+25 Action Coalitions.¹⁴ Land inequality along the lines of gender also impacts overall global food security. It is estimated that if women and men had the same access to resources, including land, agricultural yields would increase by almost a third, which would mean that 150 million fewer people in the world would continue to go hungry.¹⁵ Therefore, while contributing to addressing land inequality, companies can also make progress towards meeting their commitments under the Food Security, Living Incomes and Wages, and Non-Discrimination and Equality Standards.

Defenders of land, water, and other natural resources who oppose agribusiness development activities too often face intimidation and attacks that violate their physical integrity. In 2020, the Business and Human Rights Resource Centre identified 137 cases of attacks on defenders related to agribusiness, including killings. Many of these attacks stemmed from a lack of consultation or the failure to secure the FPIC of affected communities.¹⁶

Purported climate solutions such as the sale of carbon offsets and other “nature-based solutions” often add additional pressures to community lands, thus increasing the risk of breaching community land and resource rights.¹⁷ By respecting natural resource rights and communities' rights to participate equally and effectively in development planning, food sector companies support sustainable development and align their practices with the SDGs.

Oxfam has highlighted that the large brands have made significant progress in their global commitments, but that “implementation is uneven within specific supply chains and geographies.”¹⁸ There is a need for food processing/manufacturing companies to invest in efforts across their value chains.

BOX 12: KEY RESOURCES FOR RESPECTING RESOURCE RIGHTS

- CFS Principles for Responsible Investment in Agriculture and Food Systems.¹⁹
- FAO Respecting Free, Prior and Informed Consent: Practical Guidance for Governments, Companies, NGOs, Indigenous Peoples and Local Communities in Relation to Land Acquisition.²⁰

- Indigenous peoples are “peoples in independent countries who are regarded as Indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions” (Source: ILO, “Indigenous and Tribal Peoples Convention (No. 169),” 1989, [https://blogs.worldbank.org/voices/poverty-and-exclusion-among-indigenous-peoples-global-evidence.](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:312314, Article 1.>). A fundamental criterion for determining whether someone is Indigenous is self-identification as Indigenous. The criteria outlined in international law for identifying Indigenous peoples mean that groups that display all or some of those criteria can be treated as Indigenous for the purpose of safeguarding their rights, regardless of whether a national government has or has not recognized them as such.
While the 370 million Indigenous People in the world only amount to around 5% of the world's population, they represent 15% of the world's extreme poor and one-third of the rural poor. (Sources: Gillette Hall and Ariel Gandolfo, “Poverty and Exclusion among Indigenous Peoples: The Global Evidence,” 2016, <a href=); Hall and Gandolfo.)



SDG-ALIGNMENT: THIS STANDARD CONTRIBUTES TO ACHIEVING THE FOLLOWING SDGS:



SDG 1 – No poverty

Target 1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.



SDG 2 – Zero hunger

Target 2.3: By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.



SDG 10 – Reduced inequalities

Target 10.6: Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions.



SDG 5 – Gender equality

Target 5.a: Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws.

Target 5.5: Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.



SDG 6 – Clean water and sanitation

Target 6.1: By 2030, achieve universal and equitable access to safe and affordable drinking water for all.

Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.



SDG 12 – Responsible consumption and production

Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.



SDG 15 – Life on land

Target 15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.



SDG 16 – Peace, justice, and strong institutions

Target 16.1: Significantly reduce all forms of violence and related death rates everywhere.

Target 16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels.



PILLARS

2 & 3

SUSTAINABLE OPERATIONS
SUSTAINABLE VALUE CHAINS



STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior governing body of SDG-aligned companies adopt a policy that aligns with a commitment to recognize and respect legitimate rights (including informal rights) to land, water, seeds, and other natural resources and support responsible agricultural investments. The policy:

- Aligns with and explicitly refers to the international standards listed in Box 13.
- Includes adherence to the principle of FPIC and zero-tolerance policies for land grabs, improper land acquisition, and harassment of resource rights defenders in their value chains.
- States that, where the local law regarding land and resource rights in the territory where a company and its business relationships operate conflicts with international law, the company defers to the higher standard.

BOX 13: INTERNATIONAL HUMAN RIGHTS STANDARDS ON LAND AND WATER RIGHTS AND THE RIGHTS OF INDIGENOUS PEOPLES, PEASANTS, AND COMMUNITIES

- Universal Declaration of Human Rights, Article 17.²¹
- International Covenant on Economic, Social, and Cultural Rights, Article 11.²²
- UN Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGTs).²³
- UN Declaration on the Rights of Indigenous Peoples (UNDRIP).²⁴
- United Nations Declaration on the Rights of Peasants and other People Working in Rural Areas (UNDROP).²⁵
- ILO Convention No. 169.²⁶
- General Comment No. 15.²⁷

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy commitment, SDG-aligned companies:

- Communicate expectations for implementing the policy internally and externally with business relationships, including through procurement policies, responsible sourcing policies, and contractual terms with business relationships in their value chains (e.g., the expectation of FPIC is included in supplier contracts).
- Offer tailored capacity building by specialists with an understanding of resource rights issues in the country context to relevant in-country staff and business relationships in geographies and supply chains with a heightened risk of resource rights impacts.
- Set and measure relevant key performance indicators (KPIs) while concurrently establishing other mechanisms that incentivize and hold company staff and suppliers accountable for implementing the policy (e.g., time-bound improvement plans accompanied by triggers for suspension, longer-term contracts, and covering costs for impending necessary changes).²⁸

2. ASSESS ACTUAL & POTENTIAL IMPACTS

SDG-aligned companies identify where their suppliers and other value chain business relationships have a physical footprint and, in particular, where they may be expanding through land acquisitions before investments are made.²⁹ The companies identify legitimate rights holders by involving relevant local government bodies and communities and assess actual and potential impacts on communities' resource rights on an ongoing basis.

SDG-aligned companies evaluate the likelihood and severity of risks of impacts by assessing, among other things:

- The presence of Indigenous peoples in regions impacted by their operations or value chain activities,^c including lands and resources traditionally owned or under customary use for livelihoods or cultural purposes.
- The lack of formalized land tenure rights.
- The instances of environmental degradation or destruction resulting from operations and value chain activities (e.g., deforestation, soil erosion, contamination)
- Water scarcity.
- The record of human rights abuses committed by military and security functions in the jurisdiction, which may be contracted by agribusiness to quell protests regarding resource rights.^d

c. According to ILO Convention No. 169, Indigenous Peoples' 'lands' includes territories, which cover the total environment of the areas which the peoples concerned occupy or otherwise use. (Source: ILO, "Indigenous and Tribal Peoples Convention (No. 169).")

d. Useful assessment tools include: Landscape for tenure risk assessment (<https://landscape.info/>) and LandMark for assessing the extent to which tenure rights are formally protected (<http://www.landmarkmap.org/>).

To assess risks and impacts, SDG-aligned companies:

- Regularly engage in dialogue with communities, environmental and land rights defenders, and relevant civil society organizations.
- In the value chain's high-risk regions, develop long-term engagements or partnerships with qualified experts on resource rights, community-based organizations, and/or resource rights NGOs with mandates to center the needs of the most vulnerable to assess risks and impacts.³⁰
- On their own or together with peer companies or suppliers, commission third party human rights impact assessments, preferably conducted through a multi-stakeholder approach that would see communities and companies carry out the Human Rights Impact Assessment (HRIA) together,³¹ in regions and commodities with a high risk of impacts on resource rights.

3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their comprehensive assessment of resource rights impacts outlined in **Step 2** into business decisions, processes, and functions by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific time-bound intermediate and long-term targets on eliminating and preventing negative impacts on resource rights. These targets should be ambitious enough to contribute significantly to the SDGs' achievement. The intermediate targets are relevant for the companies to monitor their continuous improvement towards meeting the standard and, where possible, measure outcomes rather than outputs or activities. These targets are tailored to the business activities and relationships of companies based on their assessments of actual and potential resource rights impacts. The following are some examples of performance indicators to track progress over time:

- By 2023, substantially increase the proportion of sourcing from alternative business models that avoid the transfer of resource rights from smallholder farmers and local community members.
- By 2023, the company has established effective management systems to ensure that new investments respect legitimate resource and tenure rights.
- By 2030, the company returns land to rights holders who were arbitrarily or unlawfully deprived.
- By 2025, all business relationships allow producers to save, use, exchange, and sell their farm-saved seed or propagated material.

3.2. TAKE ACTION

SDG-aligned companies integrate the findings of their assessments of risks and impacts to resource rights into relevant internal functions and processes. They take appropriate action to cease, prevent, and mitigate impacts, and use leverage to prevent and mitigate harms in their value chains. Depending upon assessment findings, measures to align practices with the standard could include:

- **Ensuring free, prior, and informed consent:** Consulting, or using leverage to ensure business relationships consult, in good faith with communities to achieve and maintain consent on an ongoing basis throughout the life of industrial operations or agricultural supply chains with identified impacts on resource rights. Consultations are conducted with individual and collective rights-holders through legitimate representatives and representatives of groups within the community (including but not limited to women, youth, ethnic minorities, people with disabilities) at an early stage to enable the community to influence decision-making about investments.³² Consultations are based on the full disclosure of information about the potential impacts of a project, including possible mitigation measures and potential benefits. Any mitigation measures, compensation, or benefit-sharing mechanisms are established through participatory processes and respect the human rights of all affected individuals and groups.
 - Where business relationships are engaged in activities that violate a company's resource rights policy commitment, including land acquisitions without respecting FPIC, involuntary resettlements, or being an immediate beneficiary of expropriation by a host government when acquiring land,^e the company uses leverage to improve the business relationship's practices. Where the business relationship's practices do not improve, the company publicly leaves the relationship as a last resort, citing the misalignment.³³ For further guidance on FPIC, refer to FAO's practical guidance on respecting free, prior and informed consent.³⁴
- **Consulting underrepresented groups, particularly women:** SDG-aligned companies take proactive measures to consult with or use leverage to ensure consultation with, women in resource-related decision-making processes and to ensure they are not disproportionately disadvantaged by the land impacts of their operations or supply chains and receive fair benefits from development and compensation for loss of livelihood.
- **Compensating for transfer of resource rights:** Ensuring that individuals or communities that provide their FPIC to the transfer of resource rights through legitimate processes receive adequate compensation.
 - e. Currently, major agribusinesses, Barry Callebaut, Cargill, Olam, and Wilmar have commitments around FPIC that apply across their commodity sourcing, but "[n]one have committed to refraining from causing or contributing to involuntary resettlement or being an immediate beneficiary of expropriation by a host government when acquiring land." (Source: Cole, "Companies Spoke. Did Their Suppliers Listen? Tracking Behind the Brands Sustainability Commitments through the Supply Chain with the 'Agribusiness Scorecard.'")



- **Addressing power and resource imbalances to support resource rights:** One step to address such imbalances is paying for communities' technical support needs throughout the lifecycle of an investment. SDG-aligned companies avoid the risk of such payments becoming a lever of undue influence over communities by making such payments through innovative solutions such as basket funds, which decouple and anonymize financial contributions from the support that is funded.³⁵
- **Participating in collective action initiatives to build leverage:** Increasing leverage through country-level collective action initiatives with other companies to support suppliers in complying with policy commitments.
- **Pursuing alternative business models that avoid land transfer:** Using leverage and supporting suppliers in pursuing alternative business models that avoid the transfer of resource rights from smallholder farmers and local community members and promote responsible land investments.³⁶ For example, supporting the establishment of farmer-owned cooperatives, contract farming arrangements that maintain land rights,³⁷ and ensuring a fair share of benefits and participation in decision-making.
- **Protecting local access to water:** Using water efficiently and disposing of water responsibly in industrial and agricultural activities, and using leverage to influence business relationships to do so. Additionally, managing water in partnership with communities, and without depleting water reserves, even when granted extraction rights by local governments. SDG-aligned companies also take action and put in place adequate measures to avoid water pollution.
- **Providing smallholders access to seeds:** Respecting farmers' rights to access seeds, including by using leverage to influence business relationships to freely allow producers to "save, use, exchange and sell their farm-saved seed or propagated material."³⁸
- **Using leverage to support State action to strengthen resource rights:** Supporting relevant government efforts to improve natural resource governance, including those that support smallholders in securing their land rights, through country-level collective action with peer and cross-industry companies, and in coordination with communities and civil society organizations.³⁹ In supporting the documentation of resource rights, SDG-aligned companies do not influence the way in which local land rights are adjudicated or documented to their benefit and at the expense of smallholders.⁴⁰
- **Supporting environmental and land rights defenders and groups:** Recognizing the vital role played by civil society organizations and land rights defenders in raising concerns regarding the impacts of value chains, SDG-aligned companies respect their rights and use their leverage to influence business relationships where they, or their use of security forces, threaten those exercising their rights.

4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

To ensure prompt access to adequate remedy, SDG-aligned companies have, and use their leverage to ensure business relationships in their value chains have effective grievance mechanisms.^f Operational-level grievance mechanisms are developed together with affected communities. These mechanisms are accessible to any person from the community for reporting instances of impacts on resource rights. Accessibility is enabled by providing financial support to communities in pursuing grievances.

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies cooperate with and support legitimate judicial and non-judicial State-based mechanisms to report and adjudicate impacts on resource rights. Where State-based mechanisms order sanctions or remedy, the companies comply and use leverage to ensure their business relationships comply.

4.3. PROVIDE OR ENABLE REMEDY

When SDG-aligned companies have identified impacts on resource rights in its operations or value chain, it acknowledges its part in the harm done and provides remedy through legitimate processes. Where the company did not cause or contribute to the harm directly, it enables remedy through legitimate processes.^g Remediation actions determined in partnership with affected stakeholders include:

- Restitution by returning land to rights holders who were arbitrarily or unlawfully deprived.
- Restored access to natural resources.
- Just, fair and lawful compensation when restoration is not possible.
- Guarantees of non-repetition.⁴¹

f. As defined by the UNGPs' Effectiveness Criteria for Non-Judicial Grievance Mechanisms ("In order to ensure their effectiveness, non-judicial grievance mechanisms, both State-based and non-State-based, should be: (a) Legitimate... (b) Accessible... (c) Predictable... (d) Equitable... (e) Transparent... (f) Rights-compatible... (g) A source of continuous learning... Operational-level mechanisms should also be: (h) Based on engagement and dialogue...") (see UNGP 31 for further information). (Source: United Nations, "Guiding Principles on Business and Human Rights: Implementing the United Nations' Protect, Respect and Remedy' Framework," 2011, https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)

g. Coca-Cola, PepsiCo, Nestlé, and Illovo Sugar Africa have committed to ensuring remediation of land rights violations, and major agribusinesses, Olam and Wilmar "have committed to providing for or cooperating in remediation of adverse impacts related to land tenure across their supply chains." (Sources: Fawcett and Zweben, "Shining a Spotlight: A Critical Assessment of Food and Beverage Companies' Delivery of Sustainability Commitments"; Cole, "Companies Spoke. Did Their Suppliers Listen? Tracking Behind the Brands Sustainability Commitments through the Supply Chain with the 'Agribusiness Scorecard.'")

5. TRACK PERFORMANCE

SDG-aligned companies track the implementation of measures to meet the standard within their target dates through qualitative and/or quantitative outcome-based performance indicators on an ongoing basis and in partnership with qualified independent professionals, and relevant actors in their value chains. The following are some examples of performance indicators to track implementation of measures to recognize and respect legitimate rights (including informal rights) to land, water, seeds, and other natural resources and support responsible agricultural investments:

- Percentage of investments in or sourcing from alternative business models that avoid the transfer of resource rights from smallholder farmers and local community members.
- Percentage of new investment plans, mitigation measures, compensation, or benefit-sharing mechanisms developed through participatory processes.
- Percentage of resource-related decision-making processes that involved comprehensive participation of women and other underrepresented groups.
- Percentage of relevant investments and business relationships that manage water resources in partnership with communities.

SDG-aligned companies track the effectiveness of their efforts to meet the standard and adjust their efforts based on data gathered through, among others, the following mechanisms:⁴²

- Third-party human rights impact assessments and labor rights-oriented audits.
- Community data collection and ground-truthing.⁴³
- Surveys, interviews, other feedback mechanisms to collect perspectives from potentially affected stakeholders, as well as civil society organizations, with a focus on those most vulnerable to impacts.
- Complaints and grievances raised through grievance mechanisms.

6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their resource rights commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts on resource rights in their operations and value chain, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:

- Information about their agricultural commodity supply chains, including:
 - Names of suppliers for key commodities, with maps of supply chains to the farm level.
 - Supplier performance against the expectations stemming from company policies, particularly in high-risk supply chains.
 - Grievances related to resource rights reported.
 - The engagement with and, in cases where necessary after failed attempts of engagement, the suspension of suppliers based on resource rights impacts.^h
- Full assessments of natural resource rights-related risks and impacts.ⁱ
- Efforts to advocate for governments, peer companies, and suppliers to address systemic challenges to securing resource rights, tackle land grabbing, support responsible agricultural investments, and promote alternative business models to avoid the transfer of land rights.

h. Many consumer-facing companies have already disclosed the names of their palm oil suppliers. Unilever discloses all palm oil suppliers, all grievances related to its palm oil supply chain, and a list of suspended suppliers. Nestlé publicly reveals 95% of its "core agricultural product supply chains", AB Sugar provides a map of all of its mills and Illovo Sugar Africa provides all mill contacts on its website. (Source: Burt et al., "Behind the Brands: Independent Evaluation of Implementation of Land Rights Commitments.")

i. Coca-Cola, PepsiCo, Nestlé, and Illovo Sugar Africa have published assessments of land-related risks and impacts. (Source: Fawcett and Zweben, "Shining a Spotlight: A Critical Assessment of Food and Beverage Companies' Delivery of Sustainability Commitments.")



ENDNOTES

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PILLARS 2 & 3
SUSTAINABLE
OPERATIONS &
VALUE CHAINS

13

CHILD LABOR

STANDARD

13

CHILD LABOR

Commitment

Prevent and eliminate child labor in the company's operations, value chain, and broader ecosystems.

Children's hands.
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Aligning a company's practices with the SDGs requires preventing and eliminating child labor in its operations, value chain, and the broader ecosystems in which it operates. Child labor is defined by the ILO as a situation in which a child, anyone under the age of eighteen years^a, is too young to work or is engaged in work that is hazardous or otherwise unacceptable or unpermitted for people under eighteen. This includes work that "is mentally, physically, socially or morally dangerous and harmful to children; and/or interferes with their schooling by depriving them of the opportunity to attend school;

obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work."¹ Certain exceptions based on the type of work and the country context apply.^b

- A *child* is defined as anyone under the age of eighteen years. (Source: Office of the High Commissioner on Human Rights-OHCHR, "Convention of the Rights of the Child," 1990, <https://www.ohchr.org/en/professionalinterest/pages/crc.aspx>.)
- Child work* refers to work performed by people under 18 that is permitted in light of the ILO Conventions No.138 on Minimum Age and No.182 on the Worst Forms of Child Labour. The minimum age for working can differ by country, but ILO Conventions set the minimum age at 15 years of age or the age of completion of compulsory schooling (whichever is higher). States whose economy and educational facilities are insufficiently developed may, after consultation with the organizations of employers and workers concerned, where such exist, initially specify a minimum age of 14 years. Additionally, "national laws or regulations may permit the employment or work of persons 13 to 15 years of age on light work which is (a) not likely to be harmful to their health or development; and (b) not such as to prejudice their attendance at school, their participation in vocational orientation or training programmes approved by the competent authority or their capacity to benefit from the instruction received". (Source: ILO, "Minimum Age Convention (No. 138)," 1973, https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0:NO::P12100_INSTRUMENT_ID,P12100_LANG_CODE:312283,en.)



Approximately 70% of the world's 160 million child laborers work in agriculture, and many of these are younger children, aged 5 to 11.² This means that approximately 112 million children are engaged in one of the most dangerous sectors in terms of work-related fatalities and disease.³ New analysis suggests “a further 8.9 million children will be in child labour by the end of 2022 as a result of rising poverty driven by the pandemic.”⁴ To meet the SDGs, it is imperative to eliminate child labor, particularly its most hazardous forms, because it jeopardizes their education and development.

Companies cannot rely on local laws and enforcement alone to ensure their operations and value chains are free of child labor. Almost all countries have ratified ILO Conventions prohibiting child labor, and many governments have increased their efforts to strengthen the enforcement of child labor laws. National legal frameworks, monitoring, and enforcement, however, are lacking, and implementation measures rarely reach informal workplaces or farms, where most child labor is found. If current child labor trends continue, Target 8.7 of the SDGs, which seeks to end child labor in all its forms by 2025, will not be met.⁵

Addressing child labor involves identifying and addressing specific instances of child labor while also taking a more holistic children's rights approach by tackling its root causes. Chief among these root causes are poverty and lack of access to decent work for adults, which pose challenges for a family's ability to postpone the involvement of children in work and invest in their education. Sudden job losses, debts, droughts, floods, and crop failures are some of the many factors that can have an impact on the ability of households to avoid sending children to work. Companies can, therefore, play a vital role in preventing and eliminating child labor by reducing the economic vulnerability of households and ensuring access to decent work for family members of working age.⁶

Preventing and eliminating child labor in a company's operations and value chain while also addressing root causes reduces the chances that once the company takes action in their value chain, children will not need to seek work in the value chains of other companies with weaker child labor policies. Thus, this standard allows companies to achieve the best outcomes for children, help them to contribute to transformative impacts on broader communities, and mitigate risk in their operations and value chains.⁷

BOX 13: KEY RESOURCES ON PREVENTING AND ELIMINATING CHILD LABOR

- Children's Rights and Business Principles.⁸
- ILO-IOE Child Labour Guidance Tool for Business: How to Do Business with Respect for Children's Right to Be Free from Child Labour.⁹
- FAO Framework on Ending Child Labour in Agriculture.¹⁰
- Ending child labour, forced labour and human trafficking in global supply chains (ILO, IOM, OECD, UNICEF).¹¹



SDG-ALIGNMENT: THIS STANDARD CONTRIBUTES TO ACHIEVING THE FOLLOWING SDGS:



SDG 1 – No poverty

Target 1.1: By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.



SDG 4 – Quality education

Target 4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.

Target 4.5: By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.

Target 4.6: By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy.



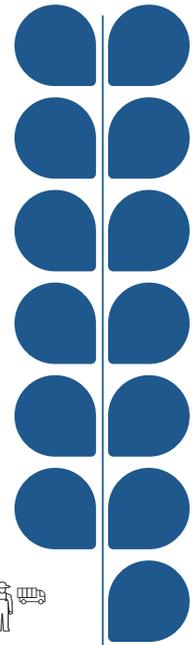
SDG 8 – Decent work and economic growth

Target 8.7: Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms.



SDG 16 – Peace, justice and strong institutions

Target 16.2: End abuse, exploitation, trafficking, and all forms of violence and torture against children.



PILLARS
2 & 3

SUSTAINABLE OPERATIONS
SUSTAINABLE VALUE CHAINS



STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The Board or the most senior level of SDG-aligned companies adopt a public policy to respect internationally-recognized children's rights in their operations and business relationships, including through the prevention and elimination of child labor. The policy:

- Aligns with and explicitly references the standards listed in Box 15.
- The policy contains descriptions of the minimum age requirements and types of work considered hazardous^c, in line with ILO standards.¹² According to these standards, the minimum age shall not be less than the age of completion of compulsory schooling, and, in any case, it shall not be less than 15 years.¹³ If the national law of the territory where a company and its business relationships operate conflicts with international law, the company defers to the higher standard.¹⁴

BOX 15: INTERNATIONAL HUMAN RIGHTS STANDARDS ON CHILD LABOR

- International Covenant on Economic, Social and Cultural Rights, Article 10.
- UN Convention on the Rights of the Child.¹⁵
- ILO Minimum Age Convention.¹⁶
- ILO Worst Forms of Child Labour Convention.¹⁷
- ILO Minimum Age Recommendation No. 146.¹⁸
- ILO Worst Forms of Child Labour Recommendation No. 190.¹⁹

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Communicate expectations for implementing the policy internally and externally to the workforce, shareholders, subsidiaries' governing bodies, and business relationships, including through contractual terms.
- Integrate the policy into procurement policies, responsible sourcing policies, contract terms with suppliers, recruitment agencies, and other business relationships in the value chain, and partnerships within and beyond the food sector.²⁰ For example, the companies clearly communicate their policies on age verification and the minimum age required to work to suppliers and recruitment agencies and demand that they implement robust age-verification mechanisms in their own recruitment and procurement/supply chain management processes.²¹
- Integrate the policy into by-laws and other governance documents (i.e., Code of Conduct, Code of Ethics) and management procedures.²²
- Ensure that business practices and the incentives they create do not contradict the policy in form or substance.

2. ASSESS ACTUAL & POTENTIAL IMPACTS

SDG-aligned companies identify and assess actual and potential child labor (with a particular emphasis on the worst forms of child labor^d) within their business operations and value chains in accordance with ILO labor standards.²³ In order to systematically assess actual or potential instances of child labor on an ongoing basis within their operations and value chains, SDG-aligned companies:

- c. *Hazardous child labor or hazardous work* is defined by the ILO as "work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children". (Source: ILO, "What Is Child Labour (IPEC).") Some hazardous work activities which should be prohibited for children under the age of 18 are: "work which exposes children to physical, psychological or sexual abuse; work underground, underwater, at dangerous heights, or in confined spaces; work with dangerous machinery, equipment, and tools, or which involves the manual handling or transport of heavy loads; work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health; work under particularly difficult conditions such as work for long hours or during the night or work where the child is unreasonably confined to the premises of the employer." (Source: International Labour Organization-ILO, "Worst Forms of Child Labour Recommendation (No. 190).")
- d. The worst forms of child labor comprise "(a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict; (b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances; (c) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties; (d) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children". (Source: ILO, "Worst Forms of Child Labor Convention (No. 182)", Article 3.)

- Consider how their business models and common business practices incentivize or facilitate child labor, especially by identifying whether excessive pressure is applied on suppliers by operating on short lead times and/or negotiating unsustainably low prices.
- Integrate robust age-verification mechanisms into its recruitment, procurement, and supply chain management processes²⁴ (i.e., Checking picture IDs, interviewing in person, if necessary).
- Regularly consult with workers, communities, farming families, and relevant civil society organizations.
- Engage qualified and credible local children's rights experts and community-based organizations in on-site assessments in high-risk areas for child labor.²⁵
- Regularly conduct assessments of suppliers' practices, including ensuring workers have access to identity documentation and written contracts before entering into relationships and throughout the business relationship.²⁶
- Apply appropriate assessment methods to effectively communicate with culturally diverse communities and workers of different ages, particularly with children, adolescents, and migrant workers.²⁷

To assess actual and potential child labor cases in value chains, SDG-aligned companies also seek to uncover the root causes of vulnerability of individuals and groups to child labor in the areas in which companies and their business relationships operate. In regions and commodities that have a higher risk of child labor, the companies commission, on their own or in partnership with peer companies, qualified and credible individual experts, and expert organizations to conduct on-site human rights impact assessments. Assessing root causes of child labor may include assessing the:

- Legal and regulatory environment, paying particular attention to the country's alignment of local laws on the minimum age of work with ILO standards, the extent to which such laws are enforced, the strength of labor inspection capacity in the jurisdiction, and the effective protection of other labor rights, including the rights to freedom of association and collective bargaining.
- Availability and accessibility to social protection for adults, in particular family benefits; maternity protection, unemployment support, employment injury benefits, sickness benefits, health protection, old-age benefits, disability benefits, and survivors' benefits.²⁸
- Economic and humanitarian conditions, including poverty, conflict, security, exposure to shocks, drought, flood, and crop failure, lack of access to quality schools, limited decent work opportunities, and low agricultural commodity prices such that farmers cannot sustain a living income.

- Risks related to the specific business activity or commodity, paying particular attention to the risks that children might engage in hazardous tasks including handling fertilizers and pesticides, climbing high trees, using sharp tools, or driving machinery.²⁹
- Social and cultural norms that reflect tolerance and acceptance of some forms of child labor and how they vary depending on gender, race, migrant status, class, ethnicity, or other factors..

3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their assessments of child labor risks and impacts outlined in **Step 2** into relevant internal functions and processes by **setting targets** and then **taking action** to align with the standard within set target dates. They take appropriate action to cease, prevent, and mitigate impacts in their operations and use leverage to prevent and mitigate harms in their broader ecosystems.

3.1. SET TARGETS

SDG-aligned companies set specific time-bound intermediate and long-term targets to eliminate and prevent child labor that are ambitious enough to contribute significantly to the SDGs' achievement, in particular SDG 8 (Target 8.7) and SDG 16 (Target 16.2). The intermediate targets are relevant for companies to monitor their and their business relationships' continuous improvement towards meeting the standard. Where possible, indicators measure outcomes rather than outputs or activities. These targets are tailored to a company's business activities and relationships based on its assessment of actual and potential instances of child labor that the company may be linked to, contribute to or cause.

- By 2023, substantially increase the proportion of sourcing from alternative business models that avoid the transfer of resource rights from smallholder farmers and local community members.
- By 2023, the company has established effective management systems to ensure that new investments respect legitimate resource and tenure rights.
- By 2030, the company returns land to rights holders who were arbitrarily or unlawfully deprived.
- By 2025, all business relationships allow producers to save, use, exchange, and sell their farm-saved seed or propagated material.



3.2. TAKE ACTION

Where an SDG-aligned company identifies a risk of child labor in local contexts where it has operations and business relationships, it uses and increases its leverage to prevent, mitigate, and remediate these risks, including, where relevant, their root causes. This is undertaken in line with respect for human rights and the development priorities of the local context.

Depending on the specific causes of child labor identified, SDG-aligned companies take measures to address actual or potential child labor impacts. Such measures include:

- **Adjusting business models**, including its revenue models, where they are in tension with the ability to respect children's rights in company operations and value chains. Any mitigation measures, compensation, or benefit-sharing mechanisms are established through participatory processes and respect the human rights of all affected individuals and groups.
 - **Revenue model:** The revenue model facilitates the payment of living wages and earning of living incomes. It does not place pressure on procurement and legal functions, which would require them to prioritize low prices and short-term relationships at the expense of respecting children's rights.
- **Establishing business practices that align with the standard**, including:
 - **Paying and using leverage with business relationships, so they pay hourly wages** to workers in lieu of piece rates.³⁰
 - **Establishing responsible price setting and purchasing practices that facilitate living incomes and wages**, including by planning, forecasting, paying suppliers promptly, and accounting for the cost of wages, benefits, and investments in decent work in its pricing.³¹ SDG-aligned companies set procurement incentives for suppliers (e.g., price premiums) that meet the highest labor standards.³²
- **Addressing identified cases of children involved in child labor** by developing or using leverage to develop transition programs from employment to education as a way to reorient them towards a safe, educational pathway.³³
 - Where business relationships are found to violate a company's policies and contractual obligations related to the prevention and elimination of child labor, the company creates corrective action plans with means to verify remediation and implementation of corrective actions and potential consequences if corrective actions are not taken.³⁴
 - If a child or young worker (someone under the age of 18 but above the minimum working age) is identified as engaging in hazardous work in a company's operations or value chain, the company removes or uses leverage to remove them immediately from such work tasks.
- **Establishing and using leverage to ensure the establishment of adequate child care facilities** at worksites to alleviate the burden on older children to stay home from school to care for younger siblings.³⁵
- **Improving access to decent work for family members of working age.** This includes transitioning workers from informal to formal employment and using leverage to ensure employment formalization in value chains.³⁶ SDG-aligned companies also source from producer associations and democratic cooperatives; promote and do not impede self-organizing efforts of workers for the informal economy; and encourage membership in producers' associations and cooperatives.³⁷
- **Establishing global framework agreements with global trade union federations to ensure fundamental labor rights**, including freedom of association and freedom from discrimination, are respected.
- **Paying living wages to workers and using leverage to ensure all workers and producers in the value chain receive living wages and living incomes** as a way to reduce the need for child labor within families.³⁸ To reduce family dependence on child labor, SDG-aligned companies improve rural livelihoods and incomes by paying fair prices for agricultural products, setting reasonable expectations for product quality and delivery, and supporting producers through extension services.³⁹ They also use collective leverage along with industry peers, including in industry-wide multi-stakeholder initiatives, to raise standards for policies, processes, and monitoring of the achievement of living incomes in regions.
- **Building capacity in partnership with local civil society organizations, value chain business relationships, and communities** to identify, eliminate, and prevent child labor. SDG-aligned companies provide ongoing support for these skill development efforts.⁴⁰
- **Using leverage to support and not impede State action to address child labor** through collective action with peer and cross-industry companies and in coordination with communities and civil society organizations. State action companies advocate for may include: (1) adequate legal frameworks and institutional capacity to monitor and enforce child labor laws, (2) improving birth and identification registration systems to ensure that all children possess birth certificates and identification documents that assist their registration in school and may prove they are under the legal age to work, (3) addressing poverty in farming communities and strengthen social protection services, (4) reducing barriers to formalization, and (5) aligning minimum wages with living wages and extending those to the informal sectors.⁴¹ SDG-aligned companies also ensure that their own child labor mitigation efforts do not undermine national systems by taking away valuable resources (such as employees or funding).

- **Using leverage to ensure governments meet their obligations** to guarantee access to education in underserved areas and to publish and review national lists of hazardous work prohibited to children under 18 years of age.⁴²
- **Supporting communities and community-led civil society efforts.** In addition to financing the SDGs through responsible tax practices, companies may, in coordination with communities and civil society organizations: (1) provide economic support through grants for families in economically vulnerable communities where children are at risk of child labor; (2) make in-kind donations of food for vulnerable families, so long as such support is not subtracted from wages or incomes; (3) provide monetary and in-kind support for civil society initiatives to prevent and eliminate child labor, including through addressing the root causes of child labor.⁴³

4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

To ensure victims of child labor have access to remedy, SDG-aligned companies have and use their leverage to ensure their business relationships have effective grievance mechanisms in place.⁴⁴ These mechanisms are accessible to company workers, value chain workers, and any person from the community to report instances of child labor (e.g., Child Labor Monitoring and Remediation Systems, operational-level grievance mechanisms, hotlines with effective grievance handling procedures).⁴⁵ The companies provide training or develop actions to communicate the existence and operation of such grievance mechanisms to all potentially affected stakeholders and communities.⁴⁶

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies refrain from using legal waivers that preclude access to judicial recourse for victims of child labor and other human rights impacts. The companies cooperate with and support legitimate judicial and non-judicial State-based mechanisms to report and adjudicate crimes of child labor.⁴⁷ The companies facilitate and do not interfere with civil, criminal, and human rights examinations. Where State-based mechanisms order sanctions or remedy in relation to child labor or other human rights impacts, the companies comply and use leverage to ensure their business relationships comply. Procedures are in place to report the worst forms of child labor to relevant authorities.⁴⁸

4.3. PROVIDE OR ENABLE REMEDY

When a company identifies that it has caused or contributed to an instance of child labor in its operations or value chain, it acknowledges its part in the harm done and provides remedy through legitimate processes. Where the company did not cause or contribute to the harm directly, it enables remedy through legitimate processes. Some remedy actions include:⁴⁹

- Immediate removal of a child from work and facilitate their transition to formal full-time schooling. This process includes dialogue with the child's caregivers and considering measures to enroll the child in school without affecting the child's and their family's welfare. In this vein, the company either acts to or uses leverage to ensure: the child's school fees are paid; a child's family member is hired or finds formal employment, and is paid a living wage to meet the family needs, or the child's family is enrolled in a program that addresses the root causes of child labor.
- Upon immediate removal of a young worker from hazardous work, the company acts to or uses leverage to ensure that the young worker is provided alternative work that is not hazardous and age-appropriate, considering that no workers under the age of 18 should perform hazardous work.⁵⁰
- Continue to monitor that the former child laborer is adequately protected and has not returned to work or been placed in a more precarious situation.⁵¹
- Consult with external experts (e.g., healthcare professionals) to identify and remedy any physical and psychological harm that the child labor may have caused.⁵²
- Work with civil society and government to ensure access to rehabilitation and support centers, medical care, and legal support for rural working children and youth.⁵³
- In any jurisdiction in which the company faces legal sanctions for its involvement with child labor, the company complies with remediation measures determined by the court or relevant authorities.

e. As defined by the UNGPs' Effectiveness Criteria for Non-Judicial Grievance Mechanisms ("In order to ensure their effectiveness, non-judicial grievance mechanisms, both State-based and non-State-based, should be: (a) Legitimate... (b) Accessible... (c) Predictable... (d) Equitable... (e) Transparent... (f) Rights-compatible... (g) A source of continuous learning... Operational-level mechanisms should also be: (h) Based on engagement and dialogue..." (see UNGP 31 for further information). (Source: United Nations, "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework.")



5. TRACK PERFORMANCE

SDG-aligned companies track, on an ongoing basis and through qualitative and/or quantitative outcome-based performance indicators, the implementation of actions they take to align with the standard. In particular, the companies monitor whether actions are implemented within their own target dates. The following are some examples of performance indicators to track progress over time:

- Percentage of the company's value chain effectively traced, including monitoring of labor practices of business relationships.⁵⁴
- Child employment (measured as percentage of economically active children ages 7-14, by gender) in agriculture in the country/region where the company and its business relationships operate.⁵⁵
- Number of workers in the company's value chain operating in areas of significant child labor risk, disaggregated by gender, ethnicity, race and other identity criteria, employee category (level and function), location, and the food and agriculture subsector in which the worker works.
- Number of young workers (under 18 but above legal working age) employed in the company's value chain, disaggregated by gender, ethnicity, race and other identity criteria, employee category (level and function), location, and the food and agriculture subsector in which the worker works.
- Number of grievances raised and addressed related to child labor in the company's operations and value chain.
- Percentage of the company's and its value chain's employment contracts that specify minimum hiring ages and special protective measures for young workers.

The companies partner with trade unions, suppliers, government institutions, civil society organizations, and other stakeholders to design and implement effective tracking and monitoring mechanisms. Methods to track progress include:⁵⁶

- Third-party human rights impact assessments and thorough labor rights-oriented audits.
- Collaborative root cause analysis.⁵⁷
- Surveys, interviews, other feedback mechanisms to collect perspectives from potentially affected stakeholders, including trade unions and civil society organizations, with a focus on those most vulnerable to impacts.
- Complaints and grievances raised through grievance mechanisms.

6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their child labor prevention and elimination commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts on child labor in their operations and value chain, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:⁵⁸

- Internal business and value chain operations considered to have significant risk for incidents of child labor, specifying the geographic locations of these operations.
- Methods used to assess operations and business relationships to identify and measure risk for incidents of child labor.⁵⁹
- Measures taken during the reporting period to prevent child labor from taking place in business operations, value chains, and ecosystems.
- Any measures taken with peer companies, companies across industries, civil society, and/or governments to address child labor and its root causes in the company ecosystem.
- Any incidents of child labor identified in operations and value chains during the reporting period, specifying the number of children affected, the type of work performed by the children, the business relationship involved (i.e., first-tier supplier, below-first tier agricultural supplier, point of sale), and the geographic location where the incident occurred.
- The way in which each incident of child labor is identified and addressed, including remediation plans, actions, and results.
- Analysis of trends demonstrating progress or explaining lessons learned from stagnation or decline towards meeting the standard and achieving intermediate and long-term targets on preventing risks for and eliminating impacts of incidents of child labor in their business operations, value chains, and ecosystems.⁶⁰

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14

FORCED
LABOR

STANDARD



PILLARS 2 & 3

SUSTAINABLE
OPERATIONS &
VALUE CHAINS

14

FORCED LABOR

Commitment

Prevent and eliminate forced labor in the company's operations, value chain, and broader ecosystems.

Harvesting sugarcane.
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Aligning a company's practices with the SDGs entails preventing and eliminating forced labor^a in its operations, value chain, and the broader ecosystems in which it operates.

Agriculture is a high-risk sector for human trafficking^b and forced labor.¹ Of the estimated 16 million people who were in forced labor in the private economy in 2016, 1.75 million were workers in the agriculture and fishing sectors.² Companies cannot currently rely on local laws and enforcement alone to ensure their operations and value chains are free of forced labor.

- a. Forced labor is defined by the ILO as "situations in which persons are coerced to work through the use of violence or intimidation, or by more subtle means such as manipulated debt, retention of identity papers or threats of denunciation to immigration authorities." More specifically, the ILO details that indicators of forced labor, several of which typically have to be met for a situation to constitute forced labor, include abuse of vulnerability, deception, restriction of movement, isolation, physical and sexual violence, intimidation and threats, retention of identity documents, withholding of wages, debt bondage, abusive working and living conditions, and excessive overtime. (Source: ILO, "What Is Forced Labour, Modern Slavery and Human Trafficking," 2021, <https://www.ilo.org/global/topics/forced-labour/definition/lang-en/index.htm>.)
- b. Human trafficking involves "the recruitment, transportation, transfer, harboring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labor or services, slavery or practices similar to slavery, servitude or the removal of organs" (Source: Office of the High Commissioner on Human Rights-OHCHR, "Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, Supplementing the United Nations Convention against Transnational Organized Crime," November 15, 2000, <https://www.ohchr.org/en/professionalinterest/pages/protocoltraffickinginpersons.aspx>.)



Because companies have outsized impacts on economic outcomes for those linked to their value chains, companies play a vital role in preventing and eliminating forced labor. Addressing forced labor involves both identifying and addressing specific instances of forced labor as well as its root causes. For example, in many countries, agricultural workers are vulnerable to forced labor due to poverty, migrant status, lack of formal skills training, work on an informal and temporary basis, and lack of unionization.³ Addressing root causes allows companies to achieve the best outcomes for individuals and contributes to transformative impacts on broader communities.

Companies with practices aligned with the SDGs prevent and eliminate forced labor in their operations, value chains, and broader ecosystems.

BOX 16: KEY RESOURCES ON PREVENTING AND ELIMINATING FORCED LABOR

- ILO General Principles and Operational Guidelines for Fair Recruitment and Definition of Recruitment Fees and Related Costs.⁴
- Ending forced labour by 2030: A review of policies and programmes.⁵
- Promising practices for fair recruitment (cases from different countries).⁶
- Guidance on Due Diligence for EU Businesses to address the risk of forced labour in their operations and supply chains.⁷
- The Montreal Recommendations on Recruitment: A Road Map towards Better Regulation.⁸
- Dhaka Principles for migration with dignity.⁹



SDG 8 – Decent work and economic growth

Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Target 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

Target 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.



SDG 10 – Reduced inequalities

Target 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies, and practices and promoting appropriate legislation, policies, and action in this regard.

Target 10.7: Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.

SDG-ALIGNMENT: THIS STANDARD CONTRIBUTES TO ACHIEVING THE FOLLOWING SDGS:



SUSTAINABLE OPERATIONS
SUSTAINABLE VALUE CHAINS



STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior level of SDG-aligned companies adopt a policy to respect the right to be free from forced labor in their operations and value chain. The policy commitment:

- Aligns with and references the international standards listed in Box 17.
- States that, where the national law of the territory where a company and its business relationships operate conflicts with international law, the company defers to the higher standard.¹⁰

BOX 17: INTERNATIONAL HUMAN RIGHTS STANDARDS RELATED TO FORCED LABOR

- Universal Declaration of Human Rights.¹¹
- ILO Declaration on Fundamental Principles and Rights at Work.¹²
- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.¹³
- ILO Forced Labour Convention (No. 29)
- Abolition of Forced Labour Convention (No. 105).¹⁴
- Protocol of 2014 to the Forced Labour Convention, 1930.¹⁵
- Forced Labour (Supplementary Measures) Recommendation, 2014 (No. 203).¹⁶

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Communicate expectations for implementing the policy commitment internally and externally to the workforce, shareholders, subsidiaries' governing bodies, and business relationships, including through contractual terms.
- Integrate the policy into the procurement policy, responsible sourcing policy, contract terms with suppliers, clients, recruitment agencies, and other business relationships in the value chain, and partnerships within and beyond the food sector.¹⁷
- Integrate the policy into by-laws and other governance documents (i.e., Code of Conduct, Code of Ethics), and management procedures.¹⁸
- Ensure their business practices and the incentives they create do not contradict the policy commitment in form or substance.

2. ASSESS ACTUAL & POTENTIAL IMPACTS

To systemically identify and assess actual and potential impacts of forced labor within business operations, value chains, and broader ecosystems on an ongoing basis in accordance with ILO labor standards,¹⁹ SDG-aligned companies:

- Consider how their business model and common business practices might incentivize or facilitate forced labor, especially by identifying whether excessive pressure is applied on suppliers by negotiating unsustainably low prices.
- Regularly consult with workers and other potentially affected stakeholders to assess the impacts of their operations and business relationships.²⁰
- Apply appropriate assessment methods to effectively communicate with culturally diverse communities and workers of different ages, particularly with children, adolescents, and migrant workers who are the most vulnerable to forced labor.²¹ When interviewing workers on-site, the companies take appropriate measures to mitigate the risk that workers respond dishonestly to questions out of fear of reprisal. These include conducting assessments off-site or using other assessment methods such as focus-group discussions and participatory assessment methods.
- Take appropriate measures to mitigate conditions that might prevent workers from responding honestly to questions due to fear of reprisal. These include conducting assessments off-site, using other assessment methods such as focus-group discussions and participatory assessment methods, and partnering with local worker organizations or other civil society organizations/representatives, on whom workers may be more likely to trust, to conduct worker interviews.

- Engage qualified and credible individual experts and expert organizations in on-site impact assessments in high-risk areas for forced labor.²²
- Consider the factors that could lead to forced labor within its business operations and in its value chain (e.g., contractual terms on payments to suppliers that hinder the suppliers' capacity to guarantee decent work conditions to their workforce; lack of awareness of what forced labor is; and harmful social practices at work in areas where the companies or any of their business relationships operate).
- Regularly conduct assessments of suppliers' practices, including ensuring workers have access to their own identity documentation and written contracts in languages they understand, before entering into relationships and throughout the business relationship.²³
- Regularly conduct assessments of recruitment agencies' practices regarding the elimination of recruitment fees^c borne by workers.²⁴ This assessment includes verifying whether the company's suppliers use responsible recruitment agencies that do not charge this type of fees, and analysis of value chain segments where it is more likely that these kinds of fees are charged.
- Monitor trends and patterns in migration and gain insight into trafficking.²⁵
- Apply appropriate verification methods to ensure that management and other staff are not able to conceal non-compliance with living wage and income standards, or present themselves in a misleading light (e.g., if relying at all on audits, ensure that these are not announced to management ahead of time).
- Cooperate on collective monitoring initiatives at a sector-wide and, where relevant, cross-sectoral level with governments, workers, local worker groups, unions, worker representatives, international organizations, civil society organizations, and other stakeholders operating on the ground to identify activities and areas of high risk for forced labor.²⁶ In particular, SDG-aligned companies participate in and support worker-driven monitoring initiatives, such as the Fair Food Program.^d
- The legal and regulatory environment, paying particular attention to (a) the country's alignment of local laws with ILO standards, including the effective protection of the rights to freedom of association, collective bargaining, and freedom of movement, as well as protection of occupational health and safety, and (b) the extent to which such laws are enforced and the strength of labor inspection capacity in the jurisdiction.²⁷
- Socio-economic vulnerability of individuals, workers, and their families in terms of their livelihoods, security, and humanitarian conditions. This vulnerability may be caused by issues such as multidimensional poverty, conflict, exposure to economic and climate change shocks (such as drought, flood, and crop failure), debt bondage, unsafe and irregular migration, lack of access to quality schools, vocational and skills training, low bargaining power and lack of skills as a result of education deprivation, limited decent work opportunities, lack of access to social protection, and low agricultural commodity prices such that farmers cannot sustain a living income.²⁸
- Social and cultural norms that reflect tolerance and acceptance of some forms of forced labor.

SDG-aligned companies also consider the root causes of vulnerability of individuals and groups to forced labor. In regions and commodities with a high risk of forced labor, the companies commission, on their own or together with peer companies, qualified and credible individual experts, and expert organizations to conduct on-site human rights impact assessments that evaluate root causes. Assessing the root causes of forced labor may include assessing the:

- Recruitment fees^c refer to any fees or costs incurred in the recruitment process in order for workers to secure employment or placement, regardless of the manner, timing or location of their imposition or collection. (...) Recruitment fees or related costs should not be collected from workers by an employer, their subsidiaries, labour recruiters or other third parties providing related services. Fees or related costs should not be collected directly or indirectly, such as through deductions from wages and benefits. (...) The recruitment fees and related costs considered under this definition should not lead to direct or indirect discrimination between workers who have the right to freedom of movement for the purpose of employment, within the framework of regional economic integration areas." (Source: ILO, "General Principles and Operational Guidelines for Fair Recruitment and Definition of Recruitment Fees and Related Costs.")
- The Fair Food Program is a worker-driven social responsibility program based on a "partnership among farmers, farmworkers, and retail food companies that ensures humane wages and working conditions for the workers who pick fruits and vegetables on participating farms." (Source: "Fair Food Program - Consumer Powered, Worker Certified," accessed June 8, 2021, <https://www.fairfoodprogram.org/>.) It has been recognized as by the UN Working Group on Business and Human Rights "a groundbreaking model for promoting labour rights" and by the UN Special Rapporteur on Human Trafficking as an "international benchmark" in fighting modern-day slavery. (Sources: UN Working Group on Business and Human Rights, "Report of the Working Group on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises: Visit to the United States of America," May 6, 2014, <https://documents-dds-ny.un.org/doc/UNDOC/GEN/G14/024/76/PDF/G1402476.pdf?OpenElement>.; Maria Grazia Giammarinaro, UN Special Rapporteur in Trafficking in Persons, especially Women and Children, "End of Visit Statement, United States of America (6-16 December 2016)," December 19, 2016, <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=21049&LangID=E>.)



3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their assessments of forced labor risks and impacts into relevant internal functions and processes by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific time-bound intermediate and long-term targets to eliminate and prevent forced labor that are ambitious enough to contribute significantly to the SDGs' achievement, particularly SDG 8 and SDG 10. The intermediate targets are relevant to monitor their and their business relationships' continuous improvement towards meeting the standard. Where possible, indicators measure outcomes rather than outputs or activities. These targets are tailored to a company's business activities and relationships based on its assessment of actual and potential instances of forced labor that the company may be linked to, contribute to or cause.

3.2. TAKE ACTION

SDG-aligned companies integrate the findings of their assessments of forced labor risks and impacts into relevant internal functions and processes. They take appropriate action to cease, prevent, and mitigate impacts in their business operations and use leverage to prevent and mitigate harms in their value chains and broader ecosystems.

Where a company identifies a risk of forced labor in local contexts where it has operations and business relationships, it uses and increases its leverage to prevent, mitigate, and remediate these risks and impacts, including, where relevant, their root causes. This is undertaken in line with respect for human rights and the development priorities of the local context.

Depending on the specific risks and impacts identified, measures to address actual and potential forced labor impacts include:

- **Adjusting business models**, including revenue models, where they are in tension with the ability to respect the human right to be free of forced labor in its operations and value chain.
 - **Revenue model:** Ensuring that the revenue model facilitates the payment of living wages and earning of living incomes. It does not place pressure on procurement and legal functions, which would require them to prioritize low prices and short-term relationships at the expense of respecting the right to be free of forced labor.

Establishing business practices that align with the standard, including:

- **Using formal employment schemes** and ensuring that employment contracts are written in a language its workers understand. The contracts specify workers' rights concerning the retention of documents, working hours and overtime, wages, and other labor rights and obligations.²⁹ SDG-aligned companies use leverage with their business relationships, including recruitment agencies, to influence the implementation of these formal employment schemes along the value chain.³⁰ When a company identifies that it has business relationships with informal, unregulated employment schemes, it uses its leverage to influence these business partners to adopt formal employment procedures.³¹
- **Reducing excessive overtime** schedules, by aligning human resources capacity with business production targets, including by implementing adequate planning procedures, and using leverage to influence business relationships to do the same.³²
- **Paying and using leverage to influence the payment of adequate compensation to apprentices** and verifying that their working schedule does not interfere with their education.
- **Using leverage with business relationships, including recruitment agencies, to avoid outsourcing migrant worker employment** to third-party labor brokers whose practices do not align with the standard.
- **Providing, and using leverage to influence business relationships to provide all workers with access to all relevant documentation related to their employment** including their ID documents, passports, contracts (written in a language the worker understands), payroll slips, workplace internal regulation manual (if applicable), and other relevant documentation related to their employment, to respect their freedom of movement.³³
- **Adopting, and using leverage with business relationships, so that workers are paid an hourly rate** instead of piece rates.
- **Establishing responsible price setting and purchasing practices that facilitate living incomes and wages** including by planning, forecasting, paying suppliers promptly, and accounting for the cost of employee's recruitment fees, wages, benefits, and investments in decent work in its pricing.³⁴ SDG-aligned companies set procurement incentives for suppliers (e.g., price premiums) that meet the highest labor standards.³⁵

- **Addressing instances of individuals being identified as being under forced labor conditions** in company operations or value chain, by immediately removing or using leverage to remove the person from conditions of forced labor. Formal processes are established to create corrective action plans with business relationships found to violate company policies and contractual obligations related to preventing and eliminating forced labor in their operations and business relationships.³⁶ Corrective action plans include (1) potential actions that should be taken in case of noncompliance, in line with the sourcing, production, or sale context, (2) a means to verify remediation, and (3) potential consequences if corrective actions are not taken (e.g., suspension of orders if forced labor is identified until corrective action is taken to prevent, mitigate and eliminate it).³⁷
- **Promoting and not impeding the right of workers to freedom of association and collective bargaining**, and the self-organizing efforts of workers in the informal economy. This includes supporting union formation on farms and establishing global framework agreements with global trade union federations to improve respect for fundamental labor rights. In addition, SDG-aligned companies source from, and encourage membership in, producers' associations and cooperatives.³⁸
- **Paying living wages and incomes**³⁹ and, where applicable, mandatory social protection benefits to workers. SDG-aligned companies pay wages and benefits on time and have mechanisms to monitor this. The companies use leverage to ensure all value chain workers receive living wages and mandatory social benefits on time.
- **Building capacity internally and externally (in the workforce and with business relationships, including employment agencies) on how to identify, eliminate, and prevent forced labor.** SDG-aligned companies provide ongoing support for these skill development efforts. Additionally, they raise awareness amongst workers and communities about their rights and any harmful social norms or common business practices that may incentivize forced labor.⁴⁰
- **Using leverage to support and not impede State action to address forced labor** through collective action with peer and cross-industry companies, and in coordination with communities and civil society organizations. This may include advocating for: (1) stronger legal prohibitions on all forms of forced labor, as well as mechanisms to enforce labor laws in the jurisdiction;⁴¹ and (2) more robust public policies to offset the socio-economic vulnerabilities that can push people into forced labor.

- **Supporting communities and community-led civil society efforts.** In addition to enabling achievement of the SDGs through responsible tax practices, companies may, in coordination with communities and civil society organizations, undertake efforts such as (1) providing grants to vulnerable individuals and families that might be at risk of forced labor; (2) making in-kind donations of food, clothing, school supplies, medicines, and housing, and other infrastructure facilities for vulnerable families; (3) providing monetary and in-kind support for civil society initiatives to prevent and eliminate forced labor, including through addressing its root causes.⁴²

4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

To ensure victims of forced labor have access to remedy, SDG-aligned companies have, and use their leverage to ensure their business relationships have, effective grievance mechanisms^e in place.⁴³ These mechanisms are accessible to company workers, value chain workers, and any person from the community to report instances of forced labor (e.g., operational-level grievance mechanisms, hotlines with effective grievance handling procedures). SDG-aligned companies provide training or develop actions to communicate the existence and operation of such grievance mechanisms to all potentially affected stakeholders and communities.⁴⁴

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies refrain from using legal waivers that preclude access to judicial recourse for victims of forced labor and other human rights impacts. The companies cooperate with and support legitimate judicial and non-judicial State-based mechanisms to report and adjudicate forced labor crimes.⁴⁵ They facilitate and do not interfere with civil, criminal, and human rights examinations. Where State-based mechanisms order sanctions or remedy in relation to forced labor or other human rights impacts, the companies comply and uses leverage to ensure their business relationships comply.

e. As defined by the UNGPs' Effectiveness Criteria for Non-Judicial Grievance Mechanisms ("In order to ensure their effectiveness, non-judicial grievance mechanisms, both State-based and non-State-based, should be: (a) Legitimate... (b) Accessible... (c) Predictable... (d) Equitable... (e) Transparent... (f) Rights-compatible... (g) A source of continuous learning... Operational-level mechanisms should also be: (h) Based on engagement and dialogue..." (see UNGP 31 for further information). (Source: United Nations, "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework.")



4.3. PROVIDE OR ENABLE REMEDY

When a company identifies that it has caused or contributed to an instance of forced labor in its operations or value chain, it acknowledges its part in the harm done and provides remedy that is satisfactory to the affected workers – or, where the company did not cause or contribute to the harm, it enables remedy – through legitimate processes. SDG-aligned companies involve workers in the design and/or performance of the company’s grievance mechanisms, to ensure that workers are satisfied and trust the mechanisms (i.e., through peer-to-peer learning sessions to design grievance mechanisms, not just surveys). Depending on the impact which occurred and tailored to the needs of those impacted, some remedy actions include:⁴⁶

- Provide compensation for harm caused, including any physical and psychological harm caused under the conditions of forced labor.⁴⁷
- Provide rehabilitation and skills training to workers who have been victims of forced labor to prepare and support them to re-enter the workforce under decent working conditions. The company monitors that these workers are hired through a formal employment scheme, have a job for which they have voluntarily accepted employment, and perform work under decent working conditions.⁴⁸
- Fully reimburse workers any improperly imposed charges (e.g., recruitment-related fees and benefits that are the employer’s responsibility).⁴⁹

5. TRACK PERFORMANCE

SDG-aligned companies track, on an ongoing basis and through qualitative and/or quantitative outcome-based performance indicators, the implementation of actions they take to align with the standard. In particular, the companies monitor whether actions are implemented within their target dates. The following are some examples of performance indicators to track progress over time:

- Percentage of the company’s and its value chain’s workforce hired directly by the company.
- Percentage of the company’s and its value chain’s workforce hired through recruitment agencies and outsourcing companies, disaggregated by gender, ethnicity, race and other identity criteria, employee category (level and function), location, and the food and agriculture subsector in which the worker works.

- Percentage of the company’s and its value chain’s workers who are members of unions, disaggregated by gender, ethnicity, race and other identity criteria, employee category (level and function), location, and the food and agriculture subsector in which the worker works.
- Percentage of the company’s and its value chain’s workers who are covered by collective bargaining agreements.
- Percentage of the company’s and its value chain’s employment contracts that specify working hours, wages, premiums, and other fundamental labor rights, disaggregated by gender, ethnicity, race and other identity criteria, employee category (level and function), location, and the food and agriculture subsector in which the worker works.
- The number of workers in the company’s value chain operating in areas of significant forced labor risk, disaggregated by gender, ethnicity, race and other identity criteria, employee category (level and function), location, and the food and agriculture subsector in which the worker works.
- The number of grievances raised and addressed related to forced labor in the company’s operations and value chain.

SDG-aligned companies partner with trade unions, suppliers, government institutions, civil society organizations, and other stakeholders to design and implement effective tracking and monitoring mechanisms. Methods to track progress include:

- Third-party human rights impact assessments and labor rights inspections and audits (on-site & off-site)
- Worker-driven monitoring mechanisms.
- Surveys, interviews (preferably off-site), other feedback mechanisms to collect perspectives from potentially affected stakeholders, including trade unions and civil society organizations, with a focus on those most vulnerable to impacts.
- Complaints and grievances raised through grievance mechanisms.

6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their forced labor prevention and elimination commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts on forced labor in their operations and value chain, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:⁵⁰

- Internal business and value chain activities and locations with a high risk for incidents of forced labor.
- Methods used to assess operations and business relationships to identify and measure these risks.⁵¹
- Measures were taken during the reporting period to prevent and eliminate forced labor in their operations, value chains, and ecosystems. This includes information regarding the payroll scheme, monitoring procedures on working conditions and payment, monitoring procedures over employment agencies' practices, how the rights to collective bargaining and freedom of movement of workers, and value chain workers are respected.⁵²
- Any measures taken with peer companies, recruitment agencies, companies across industries, civil society, and/or governments to address forced labor and its root causes in company ecosystems.
- Any incident of forced labor identified in company operations and value chains, specifying the number of workers affected, the type of work performed by them, the business relationship involved (e.g., first-tier supplier, below-first tier supplier, client), and the geographic location. The company discloses how the impact was identified and addressed, including remediation plans, actions, and results, including the specific outcomes for workers.⁵³
- Methods used to identify and address incidents of forced labor, including remediation plans, actions, and results.⁵⁴
- Analysis of trends demonstrating progress and, where appropriate, explaining lessons learned from stagnation or decline towards meeting the standard and achieving intermediate and long-term targets on preventing and eliminating forced labor in company operations, value chains, and ecosystems.⁵⁵



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The rights to freedom of association and collective bargaining are essential prerequisites for the exercise of other labor rights. They balance power and ensure workers' voices are heard and integrated into business decision-making. By taking action to ensure the rights to freedom of association and collective bargaining are respected in their operations and value chains, companies contribute to enabling respect for all labor rights.

Harvesting sugarcane.
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PILLARS 2 & 3
SUSTAINABLE
OPERATIONS &
VALUE CHAINS

15

FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING

STANDARD



15

**FREEDOM OF ASSOCIATION
& COLLECTIVE
BARGAINING**

Commitment

Empower workers, producers, and their representatives to organize, establish, and join trade unions, bargain collectively without interference, and participate in decision-making on matters that affect them.

Sorting Almonds by hand.
© Marco Ossino/Shutterstock

The rights to freedom of association^a and collective bargaining^b are enabling rights, meaning they are essential prerequisites for the exercise of other human rights.¹ They ensure that workers' voices are integrated into business decision-making, help balance power, and support workplaces to become more inclusive.² In regions where worker protections are weak, addressing the power imbalances between workers and companies through freedom of association and collective bargaining is of paramount importance for the improvement of conditions at work, building trust and strong relationships with workers, and responding to issues that arise.

- a. Freedom of association is worker's "right to establish and, subject only to the rules of the organisation concerned, to join organisations of their own choosing without previous authorization" (Source: ILO, "Freedom of Association and Protection of the Right to Organise Convention (No. 87)," 1948, https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312232:NO, Article 2.) Freedom of association is a prerequisite to collective bargaining.
- b. Collective bargaining is the voluntary negotiation between an employer, a group of employers or one or more employers' organizations, on the one hand, and one or more workers' organizations, on the other, to (a) determine working conditions and terms of employment; and/or (b) regulate relations between employers and workers; and/or (c) regulate relations between employers or their organizations and a workers' organization or workers' organizations, all these by means of collective agreements. Collective bargaining builds on freedom of association. (Sources: ILO, "Right to Organise and Collective Bargaining Convention (No. 98)," 1949, https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312243:NO, Article 4; ILO, "Collective Bargaining Convention (No. 154)," 1981, https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:P12100_INSTRUMENT_ID:312299, Article 2.)



In some cases, however, companies in regions with weak union protections or enforcement actively suppress unions through intimidation tactics. SDG-aligned companies avoid these activities and use their leverage with business relationships to prevent them from occurring in their value chains and ecosystems. They also develop strategies to empower workers and create an enabling environment for the respect for these rights.

Companies that respect freedom of association and collective bargaining create an enabling environment to protect human rights and align with the SDGs in their operations, value chains, and broader ecosystems.³

BOX 18: KEY RESOURCES ON FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING RIGHTS

- Freedom of association: Compilation of decisions of the Committee on Freedom of Association.⁴
- ILO Brief-The role of social dialogue in formulating social protection responses to the COVID-19 crisis.⁵
- ILO The need for social dialogue in addressing the COVID-19 crisis.⁶
- Freedom of association in company supply chains: A practical guide. (Ethical Trading Initiative).⁷



SDG 1 – No poverty

Target 1.1: By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.

Target 1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology, and financial services, including microfinance.



SDG 8 – Decent work and economic growth

Target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation.

Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Target 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.



SDG 10 – Reduce inequalities

Target 10.1: By 2030, progressively achieve and sustain income growth of the bottom 40 percent of the population at a rate higher than the national average.

Target 10.2: By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic, or other status.

Target 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies, and practices and promoting appropriate legislation, policies, and action in this regard.

Target 10.4: Adopt policies, especially fiscal, wage, and social protection policies, and progressively achieve greater equality.

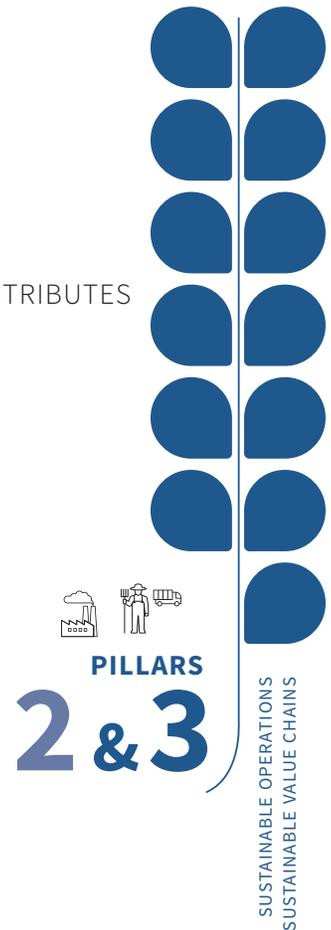


SDG 16 – Peace, justice and strong institutions

Target 16.10: Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.

Target 16.b: Promote and enforce non-discriminatory laws and policies for sustainable development.

SDG-ALIGNMENT: THIS STANDARD CONTRIBUTES TO ACHIEVING THE FOLLOWING SDGS:





STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior level of SDG-aligned companies adopt a policy to respect internationally recognized human rights in their operations and business relationships, including the rights to freedom of association and collective bargaining.^c The policy:

- Recognizes the right of their workers and producers, and those in their value chains, to have representative organizations of their choice for the purpose of collective bargaining.⁸
- Includes a commitment to refrain from interfering in the establishment, functioning, and administration of workers' and producers' organizations and implementing collective bargaining actions.⁹
- Prohibits intimidation, harassment, retaliation, and violence against trade union members and representatives.¹⁰
- Aligns with and references the international standards listed in Box 19.
- States that, where the national law of the territory where a company and its business relationships operate conflicts with international law, the company defers to the higher standard.¹¹

BOX 19: INTERNATIONAL HUMAN RIGHTS STANDARDS ON THE RIGHTS TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING¹²

- Universal Declaration of Human Rights.¹³
- ILO Declaration on Fundamental Principles and Rights at Work.¹⁴
- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.¹⁵
- ILO Freedom of Association and Protection of the Right to Organize Convention (No. 87).¹⁶
- ILO Right to Organize and Collective Bargaining Convention (No. 98).¹⁷
- ILO Collective Bargaining Convention (No. 154).¹⁸
- ILO Workers' Representatives Convention (No. 135).¹⁹
- ILO Rural Workers' Organizations Convention (No. 141).²⁰
- ILO Labour Relations (Public Service) Convention (No. 151).²¹
- ILO Recommendations and jurisprudence on Freedom of association and collective bargaining.²²

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Communicate expectations for implementing the policy internally and externally to the company's workforce, shareholders, subsidiaries' governing bodies, and business relationships, including through contractual terms.²³
- Integrate the policy into the company's procurement policy, responsible sourcing policy, contract terms with suppliers, clients, recruitment agencies, and other business relationships in the value chain, and partnerships within and beyond the food sector.²⁴
- Integrate the policy into by-laws and other governance documents (i.e., Code of Conduct, Code of Ethics), and management procedures.²⁵
- Ensure their business practices and the incentives they create do not contradict the policy in form or substance.

c. The ILO Rural Workers' Organizations Convention (No. 141) states that "all categories of rural workers, whether they are wage earners or self-employed, have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization". Their right to freedom of association and collective bargaining shall be fully respected. (Source: ILO, "Rural Workers' Organisations Convention (No. 141)," 1975, https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0:NO::P12100_ILO_CODE:C141,Article3.)

2. ASSESS ACTUAL & POTENTIAL IMPACTS

To systematically assess actual or potential instances of lack of recognition and respect of the rights to freedom of association and collective bargaining within business operations, value chains, and broader ecosystems on an ongoing basis and in accordance with ILO labor standards,²⁶ SDG-aligned companies:

- Consider how their business model and common business practices incentivize or facilitate negative impacts on freedom of association and collective bargaining.
- Regularly consult with workers, workers' representative organizations, management, and other potentially affected stakeholders with diverse genders, ethnicities, and other identities.
- Conduct a joint assessment with global trade union counterparts when considering entry into a new operating context or sourcing market that may pose a heightened risk to trade union rights.²⁷
- Apply appropriate assessment methods to effectively communicate with culturally diverse workers of different ages, particularly children, adolescents, women, and migrant workers. The company takes appropriate measures to mitigate conditions that might prevent workers from responding honestly to interview questions regarding freedom of association and collective bargaining rights due to fear of reprisal. These measures may include conducting assessments off-site or using other assessment methods such as focus-group discussions and participatory assessment methods.
- Apply appropriate verification methods to ensure that management and other staff are not able to conceal actual and potential negative impacts on the rights to freedom of association and collective bargaining, or present themselves in a misleading light (e.g., if relying at all on audits, ensure that these are not announced to management ahead of time).
- Engage qualified and credible individual experts and local expert organizations in assessments, particularly in areas with higher risks of denial of these fundamental workers' rights.²⁸
- Conduct a gap assessment on existing policies, employment contracts, and collective bargaining agreements, especially in terms of their coverage and whether they include higher standards than the minimum legal requirements.^d The gap assessment also covers worker-company negotiation documents, internal workplace manuals, internal communications, purchasing protocols and procedures, programs, training material, guidelines, systems, and other relevant materials.
- Cooperate at a sector-wide and, where relevant, cross-sectoral level with governments, workers, trade unions, international organizations, civil society organizations, and other stakeholders operating on the ground to identify activities and areas of high risk for negative impacts on the rights to freedom of association and collective bargaining.²⁹

SDG-aligned companies also consider the root causes of the lack of recognition and respect of these fundamental labor rights. In regions, business activities, and commodities with a high risk of impacts on freedom of association and collective bargaining, the company commissions, on its own or together with other stakeholders, to conduct on-sight human rights impact assessments that evaluate root causes, such as:³⁰

- The legal and regulatory environment, paying particular attention to (a) the alignment of local labor rights laws with the ILO standards, including the effective protection of the rights to freedom of association and collective bargaining; (b) the extent to which such laws exist and are enforced, and (c) the strength of labor inspection capacity in the jurisdiction to protect these rights. Misalignment includes, among other things, legal requirements that workers become members of government-run federations, laws which place extensive prohibitions on bargaining, laws that permit government interference or restrict freedom of association for certain workers.
- The lack of adjudication bodies to support freedom of association and collective bargaining rights.
- The persistent use of casual, informal, or temporary labor, which hinders workers' ability to organize.
- The promotion of employer-dominated structures that have worker involvement mechanisms but which are treated as substitutes for trade unions.
- Persistent social norms and practices in the local labor market that restrict these fundamental labor rights, including employer intimidation practices against workers.

d. Collective bargaining agreements are "agreements in writing regarding working conditions and terms of employment concluded between an employer, a group of employers or one or more employers' organisations, on the one hand, and one or more representative workers' organisations, or, in the absence of such organisations, the representatives of the workers duly elected and authorised by them in accordance with national laws and regulations, on the other." (...) (1) Collective agreements should bind the signatories thereto and those on whose behalf the agreement is concluded. Employers and workers bound by a collective agreement should not be able to include in contracts of employment stipulations contrary to those contained in the collective agreement. (2) Stipulations in such contracts of employment which are contrary to a collective agreement should be regarded as null and void and automatically replaced by the corresponding stipulations of the collective agreement. (3) Stipulations in contracts of employment which are more favourable to the workers than those prescribed by a collective agreement should not be regarded as contrary to the collective agreement. (4) If effective observance of the provisions of collective agreements is secured by the parties thereto, the provisions of the preceding subparagraphs should not be regarded as calling for legislative measures. (...) The stipulations of a collective agreement should apply to all workers of the classes concerned employed in the undertakings covered by the agreement unless the agreement specifically provides to the contrary." (Source: ILO, "Collective Agreements Recommendation (No. 91)," 1951, https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0:NO:12100:P12100_INSTRUMENT_ID:312429:NO.)



3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their assessments of actual or potential impacts on the rights to freedom of association and collective bargaining outlined in **Step 2**, into relevant internal functions and processes by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific time-bound intermediate and long-term targets to prevent and eliminate impacts on freedom of association and collective bargaining that are ambitious enough to contribute significantly to the SDGs' achievement, particularly SDG 8 (Targets 8.3, 8.5, 8.8), SDG 10 (Targets 10.1, 10.2, 10.3, 10.4), and SDG 16 (Target 16.10, 16.b). The intermediate targets are relevant for the companies to monitor their and their business relationships' continuous improvement towards meeting the standard. Where possible, indicators measure outcomes rather than outputs or activities. These targets are tailored to the company's business activities and relationships based on its assessment of actual and potential impacts on the rights to freedom of association and collective bargaining, which the company may be linked to, contribute to or cause. Examples of outcome-focused targets include:

- By 2022, the company tracks the percentage of unionized workers hired by its first-tier business relationships.
- By 2025, the company tracks the percentage of unionized workers hired by its second and third-tier business relationships.

3.2. TAKE ACTION

SDG-aligned companies continuously take appropriate action to cease, prevent, and mitigate these impacts in their business operations. Where the company identifies risk or impact to these fundamental labor rights in local contexts where the company has business relationships, it uses and increases its leverage to prevent, mitigate, and remediate these risks and impacts, including, where relevant, their root causes. This is undertaken in line with respect for human rights and the development priorities of the local context.³¹

Depending on the specific risks and impacts identified, SDG-aligned companies take measures to address actual or potential impacts on freedom of association and collective bargaining, which may include:

- **Using leverage with business relationships**, including recruitment agencies, to ensure they implement formal employment schemes along the value chain.
- **Maintaining long-term relationships with all types of suppliers**, to increase company influence over practices related to respecting freedom of association and collective bargaining rights.³³
- **Sourcing from producer associations and democratic cooperatives**, and supporting producers in creating and joining these types of organizations.³⁴
- **Promoting and not impeding workers' self-organizing efforts** across company operations, value chain, and ecosystem, including the informal economy. In this vein, allowing workers to elect their representatives on a free and confidential basis without any interference from the company management staff.³⁵
- **Establishing open communications** by providing representatives of unions and workers' organizations with access to the representatives of the company's management who are authorized and competent to take decisions on the matters under negotiation.³⁶
- **Maintaining collegial relationships with workers' organizations** by bargaining in good faith³⁷, and regularly consulting and maintaining open, respectful, constructive, and tolerant dialogues about any measures that may affect workers with them.³⁸
- **Establishing formal communications procedures** between company management, staff, and workers' representatives, and formally responding to any communication sent by worker's organizations within a defined time.³⁹ This includes documenting minutes of meetings with workers' organizations and making these available to them.⁴⁰
- **Promoting the full realization of these rights** where full recognition of trade unions is not possible in the short-term, or where freedom of association and collective bargaining rights are restricted, by using worker voice mechanisms, committees, or parallel means for independent and free association and bargaining while working towards the full realization of these fundamental labor rights in the long-term. The latter could be done by engaging suppliers and subsidiaries on the limitations of these approaches and through using leverage with the State to lift formal restrictions on these rights.⁴¹
- **Providing workers' and producers' organizations with the information required** to obtain a fair and transparent view of the company's performance to facilitate meaningful bargaining and negotiations.⁴²
- **Establishing business practices that align with the standard:**
 - **Using formal employment schemes**, and ensuring that employment contracts are written in languages all workers can understand. The contracts specify workers' rights concerning the retention of documents, working hours and overtime, wages, and other labor rights and obligations.³²

- **Ceasing any activity and using leverage with business relationships in the value chain to cease any activity, that undermines all union rights** related to the establishment, functioning, and administration of workers' and producers' organizations. These activities include dismissal, intimidation, harassment, retaliation, and violence against trade union members and representatives.⁴³ SDG-aligned companies pay special attention to identifying activities that might be difficult to observe, such as when ongoing temporary contracts are used, and ceasing them.
- **Addressing specific instances of workers, producers, or groups that have been denied their rights to freedom of association and collective bargaining** in company operations or value chains, by immediately ceasing the practices that restricted these rights and using their leverage to ensure business relationships do the same.
- **Facilitating collective bargaining efforts** by providing workers' representatives with appropriate facilities to develop effective collective bargaining agreements and carry out their functions efficiently.⁴⁴ This includes affording workers' representatives the necessary time off work without loss of pay, social and fringe benefits for carrying out their representative responsibilities.⁴⁵ It also includes refraining from interfering with the activities of workers' representatives while they carry out their union-related functions,⁴⁶ including their entrance to company facilities, distribution of news sheets, pamphlets, publications, and other documents of the union among company workers.⁴⁷
- **Establishing Global Framework Agreements (GFAs) with global trade union federations.** These GFAs are implemented beyond the company headquarter level by translating agreements' commitments and obligations into meaningful action or partnerships at the subsidiary level and sourcing markets.⁴⁸
- **Developing formalized escalation pathways,** including channels to facilitate the appropriate engagement with unions on local issues affecting workers' rights across the value chain. These pathways can take the form of Global Framework Agreements between companies and international unions to formalize communication channels.⁴⁹
- **Monitoring that business relationships** implement management systems, capacity building, raise awareness strategies, grievances, remedy and, additional robust due diligence measures oriented towards identifying, preventing, mitigating, and eliminating any practices that restrict workers' rights to freedom of association and collective bargaining in their operations, value chains, and broader ecosystems.⁵⁰
- **Develop corrective action plans with business relationships** that are found to violate company policies and contractual obligations related to respecting the rights to freedom of association and collective bargaining. The corrective action plans include means to verify remediation and implementation of corrective actions, and potential consequences if corrective actions are not taken.⁵¹
- **Building capacity internally and externally** (in the workforce and with business relationships, including employment agencies) on how to identify, eliminate, and prevent impacts on the rights to freedom of association and collective bargaining. SDG-aligned companies provide ongoing support for these skill development efforts.
- **Using leverage to support and not impede States' actions to address the systemic causes of anti-union practices,** and protecting the rights to freedom of association and collective bargaining through collective action with peer and cross-industry companies, and in coordination with communities and civil society organizations. State action SDG-aligned companies advocate for may include:
 - Eliminating existing laws and policies that restrict workers' rights to freedom of association and collective bargaining, which do not meet State duties under ILO and international human rights law standards.
 - Ensuring adequate legal frameworks and institutional capacity and mechanisms to protect these fundamental rights and enforce laws to prevent and eliminate discrimination, violence, intimidation, and retaliation against unionized workers and their representatives.
 - Improving the collective bargaining rights of contract and temporary labor.
 - Supporting and facilitating the creation of and strengthening national tripartite mechanisms for the prevention and settlement of disputes relating to the international labor standards.⁵²



4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

To guarantee that workers whose freedom of association and collective bargaining rights have been denied have access to remedy, SDG-aligned companies have and use their leverage to ensure their business relationships have effective grievance mechanisms^e in place.⁵³ These mechanisms are accessible to company and value chain workers, producers, and any person from the community to report instances of impacts on these fundamental labor rights (e.g., Workers' voice monitoring committee, operational-level grievance mechanisms, hotlines with effective grievance handling procedures). The companies provide training or develop actions to communicate the existence and operation of such grievance mechanisms to all potentially affected stakeholders and communities.⁵⁴

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies refrain from using legal waivers that preclude access to judicial recourse for those whose rights to freedom of association and collective bargaining have been impacted. The company cooperates with and supports legitimate judicial and non-judicial State-based mechanisms to report and adjudicate legal violations of these rights.⁵⁵ The companies facilitate and do not interfere with civil, criminal, and human rights examinations. Where State-based mechanisms order sanctions or remedy, the companies comply and use leverage to ensure their business relationships comply.

4.3. PROVIDE OR ENABLE REMEDY

When a company identifies that it has caused or contributed to an impact on freedom of association and collective bargaining rights in its operations or value chain, it acknowledges its part in the harm done and provides remedy through legitimate processes. Where the company did not cause or contribute to the harm directly, it enables remedy through legitimate processes. Some remedy actions that should be available for victims of anti-union discrimination include reinstatement of workers' representatives when their employment contracts were terminated unjustifiably, and payment of the wages they should have earned during the time they were unjustifiably dismissed from work, plus interest for late payment.⁵⁶ Reinstatement should always be available to workers that have faced retaliatory dismissal because of trade union activity, and that is not at the option of the employer. If the local judicial authority determines that reinstatement of a worker is not possible, measures should be taken so that the worker is fully compensated. The compensation given as remedy should take into account both the damage incurred and the need to prevent the repetition of such situation (dismissal) in the future.⁵⁷

5. TRACK PERFORMANCE

SDG-aligned companies track on an ongoing basis and through qualitative and/or quantitative outcome-based performance indicators, the implementation of actions to align with the standard within target dates. The following are some examples of performance indicators to track progress over time in company operations and value chains:

- Percentage of workers that have joined trade unions or other workers' organizations, disaggregated by gender, ethnicity, race and other identity criteria, employee category (level and function), location, and the food and agriculture subsector in which the worker works.
- Percentage or proportion of a company's workforce and its business relationships' workforce whose terms and conditions of work are covered by collective bargaining agreements, disaggregated by gender, ethnicity, race and other identity criteria, employee category (level and function), location, and the food and agriculture subsector in which the worker works.
- Number and details of claims filed through grievance mechanisms due to practices restricting the rights to freedom of association or collective bargaining.
- The number of instances of discrimination, harassment, intimidation, and/or retaliation against unionized workers and their representatives.

SDG-aligned companies partner with trade unions, suppliers, government institutions, civil society organizations, and other stakeholders to design and implement effective tracking and monitoring mechanisms. Methods to track progress include:⁵⁸

- Third-party human rights impact assessments and labor rights-oriented audits that effectively include attention to the rights to freedom of association and collective bargaining.
- Surveys, interviews, other feedback mechanisms to collect perspectives from potentially affected stakeholders and labor rights defenders and advocates, including workers, trade unions, contractors, short-term suppliers, and civil society organizations.
- Complaints and grievances raised through grievance mechanisms.

e. As defined by the UNGPs' Effectiveness Criteria for Non-Judicial Grievance Mechanisms ("In order to ensure their effectiveness, non-judicial grievance mechanisms, both State-based and non-State-based, should be: (a) Legitimate... (b) Accessible... (c) Predictable... (d) Equitable... (e) Transparent... (f) Rights-compatible... (g) A source of continuous learning... Operational-level mechanisms should also be: (h) Based on engagement and dialogue...") (see UNGP 31 for further information). (Source: United Nations, "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework.")

6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their commitment and targets on the protection of the rights to freedom of association and collective bargaining, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts on the protection of the rights to freedom of association and collective bargaining in their operations and value chain, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:⁵⁹

- Internal business and value chain locations with a high risk for anti-union practices and policies, specifying the geographic locations of these operations.
- The specific methods used to assess operations and business relationships to identify and measure risk for anti-union practices and policies.⁶⁰
- Measures taken during the reporting period to prevent and eliminate any restriction to the rights of freedom of association and collective bargaining in their business operations, value chains, and ecosystems.
- Information about existing collective bargaining agreements covering their workforce and their business relationships' workforce.
- Any impacts on the rights to freedom of association and/or collective bargaining identified in their operations and value chains during the reporting period specifying the number of people affected, their identities (Country of origin, gender, age, ethnicity, etc.), the specific type of conduct or behavior that occurred, the business relationship involved (i.e., first-tier supplier, below-first tier agricultural supplier, point of sale), the food or agriculture subsector, and geographic location where the restriction to these rights took place.
- How each impact on the rights to freedom of association and/or collective bargaining was identified and addressed, including remediation plans, actions, and results.⁶¹
- Analysis of trends demonstrating progress and, where appropriate, lessons learned from stagnation or decline towards meeting the standard and achieving intermediate and long-term targets on preventing and eliminating any impacts on these fundamental labor rights in their business operations, value chains, and ecosystems.



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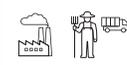
Aligning with the SDGs does not only entail mitigating and preventing future impacts. Accountability and remedy for past impacts are required to realize global justice and equity, and to achieve true sustainable development where no one is left behind.

A worker using a manual forklift to lift pallets in a warehouse. © Aleksandar Malivuk/shutterstock

16

OCCUPATIONAL HEALTH & SAFETY

STANDARD



PILLARS 2 & 3
SUSTAINABLE
OPERATIONS &
VALUE CHAINS



16
OCCUPATIONAL HEALTH
& SAFETY

Commitment

Provide healthy and safe working environments for all workers in the company's operations and ensure healthy and safe working environments for all workers and producers in the value chain.

A supervisor checking packaged tomatoes.
© Olena Yakobchuk/
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By providing and enabling healthy^a and safe working environments, companies can impact hundreds of millions of workers, their families and communities through their operations and value chains,^{1,2} and contribute to meeting the SDGs, especially targets 3.9, 8.8, and 10.4.

Severe adverse impacts on the occupational health and safety (OHS) of workers can occur across the entire operations and value chains of food sector companies. Agricultural activities in supply chains are particularly hazardous for the health and safety of workers and millions of them suffer occupational accidents and illnesses every year.³ Some of these hazards are related to the nature of the work itself, which include the use of strenuous working postures, tools and

machinery that expose workers to a high risk of injury,⁴ the lifting of very heavy weights which result in increased cases of musculoskeletal disorders, and the use of chemicals, and infectious agents.⁵ Every year, for example, an estimated 2-5 million people suffer from pesticide poisoning, including an estimated 40,000 fatal poisonings.⁶ Other hazards instead, are the result of environmental conditions that are typical in agricultural settings such as exposure to extreme weather and climate conditions (e.g. very high or low temperatures),⁷ to dust and other organic substances, and to attacks by wild animals.⁸

a. *Health*, in relation to work, indicates “not merely the absence of disease or infirmity; it also includes the physical and mental elements affecting health which are directly related to safety and hygiene at work.” (Source: ILO, “Occupational Safety and Health Convention (No. 155),” 1981, https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0:NO::P12100_ILO_CODE:C155.)



Companies cannot rely on local laws and enforcement alone to respect the human right to safe and healthy working conditions of their workers.⁹ Many countries provide agricultural workers with lesser legal protections, exclude the agricultural sector completely from OHS legislation, or have limited enforcement mechanisms even when the relevant legislation itself exists.¹⁰ In addition, certain workers, including women, migrants, poor and underage workers, are particularly vulnerable under the conditions posed by current agricultural and food processing practices.¹¹ During the COVID-19 pandemic, for example, workers at meat processing plants across regions were disproportionately exposed to the virus due to high-density workspaces with insufficient space for physical distancing.¹²

Many children, family members and other individuals that live on and near farms also experience significantly higher risks to accidents and diseases through exposure to pesticides and other chemicals used in agriculture.¹³ Therefore, protecting workers from exposure to unhealthy and unsafe workplaces and their potential physical and psychological harm, also protects their families and their communities overall.¹⁴

BOX 20: KEY RESOURCES ON OCCUPATIONAL HEALTH AND SAFETY

- ILO Occupational Safety and Health - A Guide for Labour Inspectors and Other Stakeholders.¹⁵
- ILO Brief-Social dialogue on occupational safety and health in the Covid-19 context: Ensuring a safe return to work-Practical examples.¹⁶
- Principles on the protection of workers from Exposure to toxic substances.¹⁷
- The International Code of Conduct on Pesticide Management.¹⁸
- Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade.¹⁹
- The Stockholm Convention on Persistent Organic Pollutants.²⁰
- Make My Workplace Safe and Healthy: A Trade Union Guide to Fighting Back against Behaviour-Based Safety (IUF-Food Processing Division).²¹



SDG-ALIGNMENT: THIS STANDARD CONTRIBUTES TO ACHIEVING THE FOLLOWING SDGS:



SDG 3 – Good health and well-being

Target 3.9: By 2030 substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination.



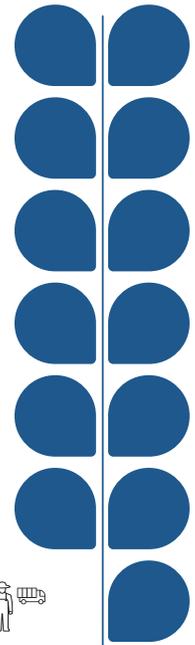
SDG 8 – Decent work and economic growth

Target 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.



SDG 10 – Reduce inequalities

Target 10.4: Adopt policies, especially fiscal, wage, and social protection policies, and progressively achieve greater equality.



PILLARS
2 & 3

SUSTAINABLE OPERATIONS
SUSTAINABLE VALUE CHAINS



STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior level of SDG-aligned companies adopt a policy to respect the right of workers and producers to a safe and healthy working environment in their operations and value chain. The policy:

- Aligns with and references the international standards listed in Box 21.
- States that, where the national law of the territory where a company and its business relationships operate conflicts with international law, the company defers to the higher standard.

BOX 21: INTERNATIONAL HUMAN RIGHTS STANDARDS ON OCCUPATIONAL HEALTH & SAFETY

- Universal Declaration of Human Rights.²²
- International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (Articles 25 & 70).²³
- International Covenant on Economic, Social and Cultural Rights (Article 7).²⁴
- Promotional Framework for Occupational Safety and Health Convention (No. 187).²⁵
- Occupational Safety and Health Convention (No.155).²⁶
- Occupational Health Services Convention, 1985 (No. 161).²⁷
- Occupational Safety and Health Recommendation (No. 164).²⁸
- Safety and Health in Agriculture Convention, 2001 (No. 184).²⁹
- Safety and Health in Agriculture Recommendation, 2001 (No. 192).³⁰
- Violence and Harassment Convention (No. 190).³¹
- Maternity Protection Convention (No.183).³²
- ILO Conventions and Recommendations on the protection against specific risks.³³

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Communicate expectations for implementing the policy internally and externally to the workforce, shareholders, subsidiaries' governing bodies, and business relationships, including through contractual terms.
- Integrate the policy into the procurement policy, responsible sourcing policy, contract terms with suppliers, clients, recruitment agencies, and other business relationships in the value chain, and partnerships within and beyond the food sector.³⁴
- Integrate the policy into by-laws and other governance documents (i.e., Code of Conduct, Code of Ethics), and management procedures.³⁵
- Appoint a senior management representative responsible for implementing the health and safety policy in the company's operations and value chain.³⁶ The company also establishes and maintains a health and safety committee comprised of an equal number of management and workers representatives, the latter of whom are freely elected by workers without management's interference.³⁷
- Ensure their business practices and the incentives they create do not contradict, in form or substance, their policy in either form or substance.

2. ASSESS ACTUAL & POTENTIAL IMPACTS

In order to systemically identify and assess actual and potential impacts on workers' occupational health and safety (OHS) within business operations, value chains and broader ecosystems on an ongoing basis in accordance with ILO labor standards,³⁸ SDG-aligned companies:

- Conduct an enterprise-wide risk assessment to identify risks arising directly from work activity due to its specific characteristics (use of heavy machinery, harmful agrichemicals, climbing trees or steep slopes, food-processing induced chemicals, etc.), and those arising from the workplace environment, country context, on-sight accommodations for workers, and commutes to and from work facilities.³⁹
- Regularly review OHS policies, protocols, workplace manuals, programs, training material, and guidelines, systems, and practices and protocols, including the use of safety equipment, to make sure they are effective in terms of risk prevention, response, and management. Especially consider whether these (1) shift the responsibility of creating safe working environments to individual employees, (2) disincentivize workers from reporting injuries and risks (e.g., implementing

reward mechanisms for workers that do not get injured), or (3) undermine workplace solidarity (e.g., implementing assessment methods that require workers to submit a certain number of observations on other workers within a set time).⁴⁰

- Evaluate how their business models and common practices incentivize or facilitate OHS impacts.
- Engage qualified professionals (e.g., OHS specialists, electrical engineers, fire protection specialists) to regularly monitor the actual and potential impacts on OHS in their operations and value chain.
- Continuously verify that they have the most current, accurate and complete information about the potential health impacts of agrochemicals and other potentially hazardous substances that are used in their operations and value chain.
- Regularly consult with workers, producers, and communities of different genders, ethnicities, migrant statuses, and other identities and factors.⁴¹ Pay particular attention to workplace risks to new, pregnant, and nursing mothers, persons with disabilities, young workers, and children.⁴²
- Cooperate at a sector-wide and, where relevant, cross-sectoral level with governments, workers, international organizations, and other civil society organizations and stakeholders operating on the ground to identify activities and areas of high OHS risks.
- Partner with trade unions, suppliers, government institutions, civil society organizations, and other stakeholders to design and implement effective assessment methods. Examples of assessment methods include in-house and third-party assessments to review OHS management systems of a company and those of its business relationships; root cause analysis on workplace accidents, injuries, and illnesses; and surveys, interviews, other feedback mechanisms to collect perspectives from potentially affected workers (focusing on those most vulnerable to impacts).
- Apply appropriate assessment methods to effectively communicate with culturally diverse workers and management staff of different ages, particularly children, adolescents, women, and migrant workers. When interviewing workers on-site, take all appropriate measures to mitigate fears of reprisal (e.g., conducting assessments off-site, using other assessment methods such as focus-group discussions, and participatory assessment methods).
- Apply appropriate verification methods to ensure that management is not able to conceal OHS actual and potential impacts, or present themselves in a misleading light (e.g., if relying at all on audits, ensure that these are not announced to management ahead of time).

SDG-aligned companies also consider the root causes of vulnerability of individuals and groups to OHS impacts. In regions and for commodities with a high risk of OHS impacts, the companies commission, on their own or together with other stakeholders, on-site human rights impact assessments⁴³ to evaluate the root causes of OHS risks and impacts, such as:

- Legal and regulatory environment, paying particular attention to: (a) the alignment of local labor and social and economic rights laws with the ILO standards, including the effective protection of the right to a safe and healthy work environment, (b) the extent to which such laws exist and are enforced, and (c) the strength of labor inspection capacity in the jurisdiction;⁴⁴
- Prevalence of corruption in the jurisdiction, including bribery of labor inspectors;
- Security conditions in the area where a company and its business relationships operate.

3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of OHS risks and impacts assessments outlined in **Step 2** into relevant internal functions and processes by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific time-bound intermediate and long-term OHS targets that are ambitious enough to contribute significantly to the achievement of the SDGs, particularly SDG 8 and SDG 10. The intermediate targets are relevant for the companies to monitor their and their business relationships' continuous improvement in the OHS standard. Where possible, indicators measure outcomes rather than outputs or activities. These targets are tailored to a company's business activities and relationships based on its assessment of actual and potential OHS impacts which the company may be linked to, contribute to, or cause.



3.2. TAKE ACTION

SDG-aligned companies continuously take appropriate action to cease, prevent, and mitigate OHS-related impacts in their operations in accordance with the hierarchy of hazard controls,⁴⁵ and uses leverage to influence business relationships in its value chain and ecosystems to do the same.⁴⁶ Such measures include:

- **Adjusting the business model if it involves practices that hinder the right to a safe and healthy working environment** in its operations and value chain (e.g., When a company places undue pressure on workers to increase their productivity at the expense of their health and safety).
- **Using formal employment schemes** and ensure that employment contracts specify the workers' right to a healthy and safe working environment.⁴⁷ When a company identifies that it has business relationships with informal, unregulated employment schemes, using leverage to incentivize the adoption of formal employment procedures.
- **Aligning their human resources capacity with business production targets**, by implementing effective planning, management and supplier-prompt payment procedures.⁴⁸ Ensuring that hours of work and rest breaks of workers in its operations and at the workplaces of business relationships conform with respecting workers' OHS rights.⁴⁹ Using leverage to influence business relationships to do the same.
- **Ensuring that workers in company operations and the workplaces of business relationships are provided with and use the adequate protective clothing and protective equipment** to prevent risk of accidents or potential adverse health effects in their work activities.⁵⁰
- **Upholding the right and ability of workers to remove themselves from imminent danger in the workplace**, without prior authorization from company management or supervisors,⁵¹ as well as workers' right to refuse unsafe work or suspend activities believed to be unsafe without fear of reprisals if done in good faith. This includes for example, ensuring that facilities have working emergency exists.
- **Limiting, and where appropriate, banning the use of hazardous substances in processing and agriculture**, including pesticides and fertilizers that are harmful to the health of workers and local communities. Protecting workers from exposure to these kinds of toxic substances in the course of their work.⁵²
- **Limiting, and where appropriate, suspending any working activity (performed outdoors and indoors) that may expose workers to unsafe environmental conditions**, such as exposure to extreme weather or climate (i.e., very high or low temperatures) and exposure to dangerous animals. Ensuring that all workers receive early warnings and that they are trained in early warning action.
- **Immediately suspending a work activity if workers are found to be performing it under unsafe and unhealthy conditions.** If such a case is identified in a company's value chain, exercising leverage to influence business relationships to suspend the work activity until appropriate health and safety measures are implemented.
- **Replacing OHS systems that shift the responsibility of creating safe working environments to individual workers** by mechanisms that promote solidarity and accurate risk management (e.g., union-managed health and safety committee).⁵³
- **Implementing an Occupational Health and Safety Management System:^b**
 - Implementing and using leverage to influence business relationships in their value chain to implement effective formal OHS procedures and protocols, and making them available and accessible to workers and management in a form that effectively serves their needs, in line with their language and communication capabilities.⁵⁴ These procedures and protocols cover: (1) evacuation requirements, (2) provision of safety equipment and personal protective equipment, (3) chemical management, (4) ventilation, electrical, facility installation, and maintenance, (5) machinery safety and maintenance, (6) ergonomics, (7) medical facilities at the workplace, (8) sanitation in all workplace facilities, (9) nutritious food and safe drinking water available to workers, and (10) maintenance of physical distancing indoors to mitigate the spread of airborne disease, and maintenance of safe and hygienic conditions in dormitories, toilets, and childcare facilities, when provided by a company.⁵⁵
 - **Implementing OHS measures to remove or reduce work-related risks to new, pregnant, and nursing mothers, persons with disabilities, and young workers.**⁵⁶ In this vein, ensuring that such workers are provided with appropriate accommodations to eliminate OHS risks relevant to their status, gender, education level, age, disability, and other compounding factors.⁵⁷ Additionally, ensuring that children do not perform hazardous labor.⁵⁸

b. An occupational health and safety management system (or occupational safety and health management system) is a set of interrelated or interacting elements to establish an occupational health and safety policy and objectives, and to achieve those objectives. (Source: ILO, "Guidelines on Occupational Safety and Health Management Systems-ILO-OSH 2001" (Geneva, International Labour Office, 2001), 19, https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---safework/documents/normativeinstrument/wcms_107727.pdf)

- **Through the occupational health services,^c professional healthcare and OHS personnel delivering training, and providing guidance to the workforce on the technical OHS requirements, protocols and procedures.**⁵⁹ This may include job-specific training where health and safety incidents have occurred and when new machinery, equipment, chemical substances, or activities that present risks to workers' health and safety have been introduced.⁶⁰
- **Providing workers with access to occupational health services to prevent, identify and treat health problems** associated with their work activities.⁶¹
- **Keeping records of all the OHS incidents that occur** and, if required by law, report all incidents to the competent authorities.⁶²
- **Refraining from keeping any health and safety information secret from the State, workers and their families, workers' representatives, employers whose workers may be exposed and affected communities,** in particular information about toxic substances.⁶³
- **Working with business relationships to develop corrective action plans** with means to verify remediation, implementation of corrective actions and potential consequences if corrective actions are not taken if they violate a company's policies and contractual obligations related to identifying, preventing, and eliminating OHS risks.
- **Using leverage to support State action to address systemic factors that may lead to OHS risks** in the food and agriculture industry. This can include collective action with peer and cross-industry companies in coordination with communities and civil society organizations to support (and not impede) relevant government efforts to combat OHS risks. Such State action may include: (1) Banning or placing restrictions on use of harmful substances and practices in agricultural and processing activities, including hazardous agrichemicals; (2) Formulating, updating, and implementing a food and agriculture-specific regulatory framework on OHS,⁶⁴ (3) Developing a national policy, system and program on OHS in line with the ILO standards on this topic.⁶⁵ (4) Strengthening the capacity of the occupational health services at the national and local levels,⁶⁶ (5) Developing and strengthening professional and vocational education and training programs focused on OHS, with a particular focus on the food and agriculture industry,⁶⁷ and (6) Contributing to research aimed at identifying OHS risks in the food and agriculture industry, and developing measures to address these.⁶⁸
- **Supporting community-led efforts and partner with civil society and international and local development organizations that work to safeguard OHS.** In addition to financing the SDGs through responsible tax practices, providing monetary or in-kind support to civil organizations that advocate for protecting workers' rights to healthy and safe working conditions in the food and agriculture industry, including by addressing root causes of unhealthy and unsafe workplaces.⁶⁹
- **Refraining from undertaking any kind of action to hinder the adoption of health-protective laws, regulations, technical standards and improved practices on OHS.**⁷⁰
- **Refraining from tampering with, obfuscation or distortion of scientific evidence** or the manipulation of processes geared towards the detriment of workers' occupational health and safety.⁷¹

c. Occupational health services are "services entrusted with essentially preventive functions and responsible for advising the employer, the workers and their representatives in the undertaking on-(i) the requirements for establishing and maintaining a safe and healthy working environment which will facilitate optimal physical and mental health in relation to work; (ii) the adaptation of work to the capabilities of workers in the light of their state of physical and mental health." (Source: ILO, "Occupational Health Services Convention (No. 161).") Occupational health services should "(a) carry out monitoring of workers' exposure to special health hazards, when necessary; (b) supervise sanitary installations and other facilities for the workers, such as drinking water, canteens and living accommodation, when provided by the employer; (c) advise on the possible impact on the workers' health of the use of technologies; (d) participate in and advise on the selection of the equipment necessary for the personal protection of the workers against occupational hazards; (e) collaborate in job analysis and in the study of organisation and methods of work with a view to securing a better adaptation of work to the workers; (f) participate in the analysis of occupational accidents and occupational diseases and in accident prevention programmes." (Source: ILO, "Occupational Health Services Recommendation (No.171)," 1985, https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312509:NO)



4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

SDG-aligned companies establish and participate in effective grievance mechanisms that are accessible to stakeholders to report adverse impacts on human health and wellbeing resulting from inadequate OHS practices and safeguards.

4.1. ESTABLISH GRIEVANCE MECHANISMS

To ensure that victims of adverse OHS impacts have access to remedy, SDG-aligned companies use their leverage to ensure their business relationships have effective grievance mechanisms.^d These mechanisms are accessible to their own workers, value chain workers, whistle-blowers, rights defenders and any person from the community to report concerns and instances of non-compliance with OHS policies (e.g., health and safety committee or subcommittee, health and safety monitoring teams, operational-level grievance mechanisms, hotlines with effective grievance handling procedures). Formal systems and mechanisms for this should not rely on technology or software that is not easily accessible to workers and their community.

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies also cooperate with legitimate judicial and non-judicial State-based mechanisms to report and adjudicate OHS abuses. The companies refrain from using legal waivers that preclude access to judicial recourse for victims of these impacts. Where State-based mechanisms order sanctions or remedy in relation to OHS, the companies comply and use their leverage to ensure business relationships comply.

4.3. PROVIDE OR ENABLE REMEDY

When an SDG-aligned company is found to have caused or contributed to OHS impacts in its operations or value chain, it acknowledges its part in the harm and provides immediate and appropriate access to remedy. Where the company did not cause or contribute to the harm, it enables immediate and appropriate access to remedy through legitimate processes in line with the ILO Employment Injury Benefits Convention (No.121). Special attention should be paid to factors such as gender, age, status and others that may impede workers' access to remedy.⁷² Depending on the impact which occurred and tailored to the needs of those impacted, remedy actions may include:

- First aid, healthcare, and assistance in obtaining follow-up medical and rehabilitation treatment.
- Compensation for harm caused to workers who have suffered occupational accidents, injuries, or illnesses.⁷³ Compensation covers: medical care and related expenses; missed work time and lost income; pain and other physical suffering; permanent physical disability; loss of family, social, and educational experiences; emotional damages.⁷⁴
- Guarantees of non-repetition.⁷⁵
- Job reinsertion.
- If an occupational accident, injury, or illness causes a worker's loss of working capacity, the company assigns the worker to another job position within the company that suits his/her/their physical and mental capacities and aptitudes (reasonable accommodation). If the incident disables the worker from carrying out any job within the organization, the company provides support on the process to get a disability pension or allowance, or compensates the worker accordingly if applicable national social protection insurance is not available.⁷⁶
- Bringing to justice those responsible for exposure to risk.⁷⁷

d. As defined by the UNGPs' Effectiveness Criteria for Non-Judicial Grievance Mechanisms ("In order to ensure their effectiveness, non-judicial grievance mechanisms, both State-based and non-State-based, should be: (a) Legitimate... (b) Accessible... (c) Predictable... (d) Equitable... (e) Transparent... (f) Rights-compatible... (g) A source of continuous learning... Operational-level mechanisms should also be: (h) Based on engagement and dialogue...") (see UNGP 31 for further information). (Source: United Nations, "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework.")

5. TRACK PERFORMANCE

With the advice of qualified independent professionals (e.g., structural engineers, fire protection specialists, occupational health professionals), SDG-aligned companies track, on an ongoing basis and through qualitative and/or quantitative outcome-based performance indicators, the implementation of actions to align with the standard within target dates. The following are some examples of performance indicators to track progress over time:⁷⁸

- Number and rate of fatalities as a result of work-related incidents in its operations and value chain.
- Number and rate of work-related injuries (excluding fatalities) in its operations and value chain.
- Most recurrent types of work-related injuries in its operations and value chain.
- Number of near-miss incidents in its operations and value chain.
- Percentage of workers engaged in high-risk activities in terms of occupational health and safety in its operations and value chain, disaggregated by gender, ethnicity, race and other identity criteria, employee category (level and function), location, and the food and agriculture subsector in which the worker works.
- Number of occupational chronic disease incidents and other serious health effects linked to work performed within the company's operations and value chain.
- Range of hours worked by workers in the company's operations and the value chain, disaggregated by gender, ethnicity, race and other identity criteria, employee category (level and function), location, and the food and agriculture subsector in which the worker works.

SDG-aligned companies partner with trade unions, suppliers, government institutions, civil society organizations, and other stakeholders to design and implement effective tracking and monitoring mechanisms. Methods to track progress include:⁷⁹

- In-house and third-party thorough OHS assessments to review the OHS management systems of the company and those of its business relationships.
- Root cause analysis on workplace accidents, injuries, and illnesses.
- Surveys, interviews, other feedback mechanisms to collect perspectives from potentially affected workers (focusing on those most vulnerable to impacts).
- Complaints and grievances raised through grievance mechanisms and whistle-blower mechanism.
- Collective action efforts with sector peers to harmonize indicators tracked and shared data to better understand the occupational health and safety risks linked to business activities in the region.

6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their commitment and targets on occupational health & safety, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts on occupational health and safety in their operations and value chain, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:⁸⁰

- Internal business and value chain activities and locations with a high risk of OHS impacts, and how the company assessed its operations and business relationships to identify and measure these risks.⁸¹
- Measures the company took during the reporting period to assess, mitigate, and prevent OHS impacts. It also describes the health and safety committees and other structures with specific responsibilities related to OHS management and how workers participate in these structures.
- Any impact on workers' health and safety identified in its operations and value chain during the reporting period. The company includes disaggregated information about the people affected, the number of people affected, the type of incident that occurred, the work activity the worker was performing, the business relationship involved (i.e., first-tier supplier, below-first tier agricultural supplier, point of sale), and the geographic location where the incident occurred. The company also discloses how the specific incidents were identified and addressed, including remediation plans, actions, and results.
- Analysis of trends demonstrating progress and, where appropriate, explaining lessons learned from stagnation or decline towards meeting the standard and achieving intermediate and long-term targets on preventing and eliminating OHS impacts in its business operations, value chain, and ecosystem.⁸²



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PILLARS 2 & 3
**SUSTAINABLE
 OPERATIONS &
 VALUE CHAINS**

17

NON-DISCRIMINATION & EQUALITY

STANDARD



Commitment

Remove barriers to equal treatment and opportunity in company business operations, value chain, and broader ecosystems.

A researcher spraying plants in a laboratory.
 © Drazen Zigic/Shutterstock

Aligning food sector practices with the SDGs requires leaving no one behind, a core principle of the 2030 Agenda.¹ Development and economic opportunity do not naturally benefit all in society. Ensuring that benefits are shared with those who have historically faced discrimination and financial exclusion requires concerted, proactive efforts.



For private sector actors, leaving no one behind includes creating safe, secure, and inclusive working environments for all workers, considering certain groups' specific needs and risks. Marginalized groups, including women, indigenous people, and migrant workers, often face discrimination,^a violence, and harassment^b while at work.² In agriculture, women farmworkers often face gender-based discrimination^c and sexual harassment, and assault while at work.³ Non-discrimination and equality are critical to achieving decent work, which requires fair treatment and remuneration, safety, security, participation, and opportunities for all, regardless of race, gender, and other identity categories.

Many multinational companies have already instituted diversity,^d equity,^e and inclusion^f programs in their operations, but aligning with the SDGs requires a broader use of leverage in their value chains and broader ecosystems to promote equal opportunity and treatment. These actions help remove barriers to equal treatment to achieve outcomes in which no one is left behind.

BOX 23: KEY RESOURCES ON NON-DISCRIMINATION AND EQUAL TREATMENT

- Empowering Women at Work. Company Policies and Practices for Gender Equality.⁴
- Empowering Women at Work. Policies and Practices for Gender Equality in Supply Chains.⁵
- Equal Pay: An Introductory Guide.⁶
- Promoting Equity: gender-neutral job evaluation for equal pay. A step-by-step guide.⁷
- The COVID-19 response: Getting gender equality right for a better future for women at work.⁸
- The Power of Procurement: How to Source from Women-Owned Businesses.⁹
- Women's rights from the ground up: A strategic approach to securing women's land rights.¹⁰
- Guide for Business on the Rights of Persons with Disabilities.¹¹
- The Business Case for Diversity in the Workplace: sexual orientation and gender identity: Report on good practices.¹²

- Discrimination is "any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation" (...) "Any distinction, exclusion or preference in respect of a particular job based on the inherent requirements thereof shall not be deemed to be discrimination". (Source: ILO, "Discrimination (Employment and Occupation) Convention (No. 111)," 1958, https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312256:NO, Article 1.) There are two forms of discrimination: (a) Direct discrimination arises when a distinction, preference, or exclusion is explicitly made based on a specific attribute or characteristic that bears no relation to a job or service, or product provision. (b) Indirect discrimination arises when measures, practices, and situations that are apparently neutral, cause an unjustifiable distinction, preference, or exclusion of a person or community. (Source: ILO, "Q&As on Business, Discrimination and Equality," Document, 2012, http://www.ilo.org/empent/areas/business-helpdesk/faqs/WCMS_DOC_ENT_HLP_BDE_FAQ_EN/lang-en/index.htm.)
- Violence and harassment (in the world of work) refer to a "range of unacceptable behaviors and practices, or threats thereof, whether a single occurrence or repeated, that aim at, result in, or are likely to result in physical, psychological, sexual or economic harm, and includes gender-based violence and harassment" (Source: ILO, "Violence and Harassment Convention (No. 190)," 2019, https://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO::P12100_INSTRUMENT_ID,P12100_LANG_CODE:3999810,es:NO, Article 1.) These behaviors and practices or threats may occur in the course of, linked with or arising out of work: (a) in the workplace, including public and private spaces where they are a place of work; (b) in places where the worker is paid, takes a rest break or a meal, or uses sanitary, washing and changing facilities; (c) during work-related trips, travel, training, events or social activities; (d) through work-related communications, including those enabled by information and communication technologies; (e) in employer-provided accommodation; and (f) when commuting to and from work." (Source: ILO, Article 3.)
- Gender-based discrimination is "any distinction, exclusion or restriction made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women, irrespective of their marital status, on a basis of equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field." (Source: Office of the High Commissioner on Human Rights-OHCHR, "Convention on the Elimination of All Forms of Discrimination against Women-CEDAW," 1979, <https://www.ohchr.org/EN/ProfessionalInterest/Pages/CEDAW.aspx, Article 1.>)
- Diversity refers to the differences within groups regarding gender, nationality, race, ethnicity, sexual orientation, professional background, age, and other identity categories. (Source: World Benchmarking Alliance, "Social Transformation Framework to Measure and Incentivize Companies to Leave No One Behind," January 2021, <https://assets.worldbenchmarkingalliance.org/app/uploads/2021/02/WBA-Social-Transformation-Framework-FINAL.pdf.>)
- Equity "goes beyond non-discrimination, by recognizing and addressing existing inequalities. Equity requires positive action to identify and address inequalities without disadvantaging other groups". (Source: World Benchmarking Alliance.)
- Inclusion refers to when people are valued for their differences in a specific group, community, or institution. (Source: World Benchmarking Alliance.)

17

NON-DISCRIMINATION & EQUALITY



SDG 1 – No poverty

Target 1.1: By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.

Target 1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology, and financial services, including microfinance.



SDG 8 – Decent work and economic growth

Target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation.

Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Target 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.



SDG 5 – Gender equality

Target 5.a: Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance, and natural resources, in accordance with national laws.



SDG 10 – Reduce inequalities

Target 10.1: By 2030, progressively achieve and sustain income growth of the bottom 40 percent of the population at a rate higher than the national average.

Target 10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

Target 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.

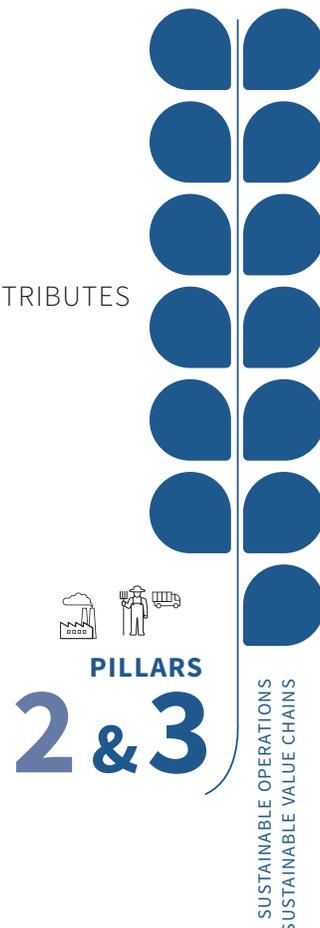
Target 10.4: Adopt policies, especially fiscal, wage, and social protection policies, and progressively achieve greater equality.



SDG 16 – Peace, justice and strong institutions

Target 16.b: Promote and enforce non-discriminatory laws and policies for sustainable development.

SDG-ALIGNMENT: THIS STANDARD CONTRIBUTES TO ACHIEVING THE FOLLOWING SDGS:





STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior level of SDG-aligned companies adopt a policy to respect the rights to equality, non-discrimination, and freedom from harassment in their operations and value chain. The policy:

- States that discrimination is not permitted based on gender, sex, race, ethnicity, religion, sexual orientation, gender identity, age, disability, marital status, political or other opinions, national or social origin, pregnancy status, language, ownership of property, or other characteristics.
- Aligns with and references the international standards listed in Box 23.
- States that, where the national law of the territory in which a company and its business relationships operate conflicts with international law, the company defers to the higher standard.¹³

BOX 23: INTERNATIONAL HUMAN RIGHTS STANDARDS ON NON-DISCRIMINATION AND EQUAL TREATMENT

- Universal Declaration of Human Rights.¹⁴
- Convention on the Rights of Persons with Disabilities.¹⁵
- International Convention on the Elimination of all Forms of Racial Discrimination.¹⁶
- Declaration of All Forms of Intolerance and of Discrimination Based on Religion or Belief.¹⁷
- Declaration on the Rights of Indigenous Peoples.¹⁸
- Convention on the Elimination of All Forms of Discrimination against Women.¹⁹
- International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families.²⁰
- Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities.²¹
- Equal Remuneration Convention (No.100).²²
- Discrimination in Employment and Occupation Convention (No. 111).²³
- Violence and Harassment Convention (No.190).²⁴
- Workers with Family Responsibilities Convention (No. 156).²⁵
- Maternity Protection Convention (No.183).²⁶
- Indigenous and Tribal Peoples Convention (No. 169).²⁷
- Equal Remuneration Recommendation (No.90).²⁸
- Discrimination (Employment and Occupation) Recommendation (No.111).²⁹
- Violence and Harassment Recommendation (No. 206).³⁰
- Indigenous and Tribal Populations Recommendation (No. 104).³¹

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Communicate expectations for implementing the policy internally and externally to their workforce, shareholders, subsidiaries' governing bodies, and business relationships, including through contractual terms.
- Integrate the policy into their internal human resources policies, procurement policy, responsible sourcing policy, contract terms with suppliers, clients, recruitment agencies, and other business relationships in the value chain, and partnerships within and beyond the food sector.³²
- Integrate the policy into by-laws and other governance documents (i.e., Code of Conduct, Code of Ethics) and its management procedures.³³
- Ensure their business practices and the incentives they create do not contradict their policy in form or substance.

2. ASSESS ACTUAL & POTENTIAL IMPACTS

To systemically identify and assess actual and potential impacts of discrimination, harassment, and unequal treatment within business operations, value chains, and broader ecosystems on an ongoing basis in accordance with ILO labor standards,³⁴ SDG-aligned companies:

- Evaluate how their business model and common business practices incentivize or facilitate impacts of discrimination, harassment, and unequal treatment through formal processes such as human rights impact assessments.
- Regularly consult with workers, other potentially affected stakeholders with diverse identities,³⁵ local movements, and relevant organizations to mitigate risks and ensure that an intersectional lens is applied to amplify the needs of those that are most marginalized and/or least represented. This includes also identifying barriers that might prohibit the participation of certain subgroups (i.e., mothers, elderly people) and providing the necessary resources to ensure these groups can participate at all stages of assessments (providing childcare, etc.)."
- Assess their own and their recruitment agencies' hiring practices to identify potential biases which lead to unequal hiring rates among certain groups.³⁶
- Engage qualified and credible individual experts and local expert organizations in on-site assessments, particularly in contexts with high risks of discrimination, harassment, and unequal treatment.

- Take appropriate measures to mitigate conditions that might prevent workers from responding truthfully to assessment questions regarding discrimination and harassment due to fear of reprisal. These measures may include conducting assessments off-site or using other assessment methods such as focus-group discussions and participatory assessment methods.
- Partner with trade unions, suppliers, government institutions, civil society organizations, and other stakeholders to design and implement effective assessment methods. Examples of assessment methods include in-house and third-party assessments to review that company business practices and policies and those of business relationships do not discriminate or involve unequal treatment conducts; root cause analysis on these potential issues; and surveys, interviews, and other feedback mechanisms to collect perspectives from potentially affected workers or community individuals (focusing on those most vulnerable to impacts).
- Apply appropriate verification methods to ensure that management and staff are not able to conceal actual and potential impacts of discrimination, harassment, and unequal treatment, or present themselves in a misleading light (e.g., if relying at all on audits, ensure that these are not announced to management ahead of time).
- Ensure that their own and their business relationships' existing policies, purchasing practices, internal workplace manuals, programs, training materials, guidelines, and systems to assess alignment with their policy.
- Contribute to collective monitoring initiatives by cooperating at the sectoral level and, where relevant, at a cross-sectoral level with governments, workers, international organizations, civil society organizations, and stakeholders operating on the ground to (1) identify groups at particular risk of discrimination and harassment in the operating context, and (2) identify business activities at high risk of exposing people to discrimination and harassment (e.g., night work, work in isolation, hospitality, and domestic work).³⁷

SDG-aligned companies also evaluate the root causes of identity-related vulnerabilities, discrimination, harassment, and unequal treatment in the workplace and in locations where they and their business relationships operate. In regions and business activities with high risks for these impacts, the companies commission, on their own or together with other stakeholders, to conduct on-site human rights impact assessments that evaluate root causes, such as:

- Historical and structural causes of discrimination that might explain the differences in access to equal opportunities and the existing socio-economic gaps in a specific region, such as colonialism, inequitable distribution of land, lack of representation in decision-making bodies, war or internal conflict, and the division of labor based on gender.



- Social biases and stereotypes, unequal rates of employment, education, and incomes, and asymmetrical balances of power in the workplace are experienced by certain groups across society.
- The legal and regulatory environment, paying particular attention to (a) the country's alignment of local laws with ILO standards and international human rights law, and (b) the extent to which such laws are enforced and the strength of labor inspection capacity in the jurisdiction.

3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their assessments of any actual or potential impacts of discrimination, harassment, and unequal treatment or opportunities into relevant internal functions and processes by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific time-bound intermediate and long-term targets to prevent and eliminate discrimination, harassment, and unequal treatment that are ambitious enough to contribute significantly to the SDGs' achievement, particularly SDG 1 (Targets 1.1, 1.4), SDG 5 (Target 5.a), SDG 8 (Targets 8.3, 8.5, 8.8), SDG 10 (Targets 10.1, 10.2, 10.3, 10.4), and SDG 16 (Target 16.b). The intermediate targets are relevant for companies to monitor their and their business relationships' continuous improvement towards meeting the standard. Where possible, indicators measure outcomes rather than outputs or activities. These targets are tailored to a company's business activities and relationships based on its assessment of actual and potential impacts which the company may be linked to, contribute to or cause. Examples of outcome-focused targets include:

- By 2025, 50% of the company's sourcing spent is from suppliers owned and managed by people from underrepresented groups in the region where the company operates (with a particular focus on women in the agricultural sector, as this would significantly contribute to driving women's economic empowerment in the sector)
- By 2025, all employees are reskilled or upskilled to have the skill set required to accomplish jobs' future demands.
- By 2023, the company eliminates the gender pay gap.
- By 2030, the company achieves a gender- and race-balanced workforce at all levels.

3.2. TAKE ACTION

SDG-aligned companies continuously take appropriate action to cease, prevent, and mitigate impacts of discrimination, harassment, and unequal treatment in their business operations. Where a company identifies instances or risk of discrimination and harassment in contexts where it has operations and business relationships, it uses and increases its leverage to prevent, mitigate, and remediate them, including, where relevant, contributing to addressing root causes. This is undertaken in line with respect for human rights and the development priorities of the local context.³⁸

Depending on the specific risks and impacts identified, SDG-aligned companies take measures to address actual or potential discrimination, harassment, and unequal treatment impacts, which may include:

- **Adjusting business models**, including revenue models, where it is in tension with the ability to respect the rights to equality and non-discrimination of workers and communities in the operations and value chains of companies.
 - **Revenue model:** Ensuring that the revenue model facilitates equal treatment and equal opportunity. Additionally, ensuring that revenue models do not rely on exploiting vulnerable groups in society, including those whose legal ability to work is limited by their immigration status or those with diminished recourse to or fair treatment under judicial grievance mechanisms.
- **Addressing specific instances of worker discrimination or harassment** by immediately ceasing the discriminatory and harassing behaviors or practices. Where an instance of such conduct occurs in the value chain or ecosystem of a company, it uses leverage to influence them to cease that behavior or practice without fear of retribution by those bringing awareness to instances of discrimination or harassment that are not being addressed.³⁹ If discriminatory conduct by a business relationship violates criminal law or specific legal frameworks on non-discrimination, the company reports it to the local authorities and cooperates during subsequent investigations.
- **Implementing formal processes to create corrective action plans** with business relationships that violate a company's policies and contractual obligations related to preventing and eliminating discrimination and ensuring equal opportunities in their operations and business relationships.⁴⁰ These plans should include (1) potential actions that should be taken in case of non-compliance, in line with the sourcing, production, or sale context, (2) a means to verify remediation, and (3) potential consequences if corrective actions are not taken (e.g., suspension of orders until corrective action is taken).⁴¹

- **Respecting and not impeding on workers' rights to freedom of association and collective bargaining** as a means of preventing and addressing discrimination and harassment.⁴²
- **Promoting equal representation by taking steps to achieve balance across all management and employee categories** to align with the diversity in the operating context.⁴³ This may include providing professional development, mentoring, coaching, and vocational training to all workers, particularly to workers from underrepresented groups.⁴⁴ Language learning opportunities for migrant workers whose first language is not the local language are especially important in this context because that ability impacts their chances of being promoted and interacting with peers.
- **Improving hiring practices** by taking proactive steps to recruit workers of underrepresented groups at all levels, including diversifying where job postings are listed and reaching out to networks that include underrepresented groups, setting targets for hiring and promoting candidates from these groups, and ensuring gender and ethnicity-balanced interview panels during the hiring process.⁴⁵ Refraining from inquiring during the hiring process about the current status or plans of applicants regarding marriage, pregnancy, or care responsibilities.⁴⁶ Additionally, providing reasonable accommodations for persons with disabilities in the form of appropriate modifications to the hiring process (i.e., time adjustment).
- **Ensuring equal pay for work of equal value** by applying a job grading system and evaluation method to determine the value of work to be performed based on objective criteria, such as the type of responsibilities, working conditions, and skillset required.⁴⁷ The determination of the value of work and remuneration rates for each job should be consistent with the principle of equal pay for work of equal value.⁴⁸ The objective job grading system and objective job evaluation method are disclosed and used to determine remuneration for each position.
- **Providing reasonable accommodations for persons with disabilities** in the form of appropriate modifications or adjustments to facilitate the performance of essential activities of the job and enable career advancement.⁴⁹ SDG-aligned companies also ensure confidentiality when a person discloses a specific condition that has a disproportionate impact, such as people with psychosocial disabilities or are HIV positive.
- **Offering parental leave** to all new parents that comply with international labor standards (14 weeks for maternity leave).⁵⁰
- **Providing parental and caregiver benefits** and services to all workers to support them in their role as parents and caregivers, including options for a phased return to work after leaves, off-site or on-site safe and clean childcare facilities, paid time off for breastfeeding or pumping, and to attend healthcare appointments with dependents,⁵¹ and clean and safe breastfeeding/pumping rooms.⁵²
- **Offering LGBTQ-inclusive benefits**, including benefits for the same-sex partners of workers, even where these unions are not recognized by law. Where healthcare is employer-provided, they offer coverage for gender-affirming care for transgender employees.
- **Providing secure transportation** to and from the workplace in contexts where the risk of abuse and harassment is high on the way and from work.
- **Accommodating and adjusting workplaces to make them safer** (e.g., better lighting in industrial facilities, appropriate surveillance systems both at industrial facilities and in facilities and farms located in rural areas).⁵³ Additionally, providing confidential support to victims of domestic violence and workplace and sexual harassment, such as access to mental health counseling services, special healthcare assistance, legal services, among others. Additional support includes flexibility with hours of work or with any work-related responsibility if needed.
- **Ensuring that all internal and external communications use inclusive language** and images and do not perpetuate stereotypes or harmful representations of individuals or groups. Additionally, providing reasonable accommodations for workers whose first language is not the local language and for workers that are illiterate or functionally illiterate.
- **Establishing processes to ensure the equal participation of people with diverse identities in community consultations.**⁵⁴ This includes identifying and addressing barriers that might reduce participation by certain groups and designing the consultation process, so it does not add unpaid burden and protects those that fear retribution from speaking out.
- **Collecting disaggregated data by gender, ethnicity, race, disability, age, and other identity criteria**, which allows identifying the extent to which their processes, policies, and practices impact workers, communities, and other stakeholders differentially in its value chain and broader ecosystems.⁵⁵



- **Establishing inclusive sourcing practices** by:
 - **Prioritizing sourcing from businesses owned and managed by people from underrepresented groups**, particularly those subject to systemic economic exclusion, including women, ethnic minorities, and persons with disabilities.
 - **Prioritizing sourcing from producer co-operatives or other associations** in which underrepresented groups make up a high proportion of membership and/or are well represented in leadership roles.
 - **Taking proactive steps to invite and incentivize businesses to participate in procurement calls** and bid processes, such as diversifying communication channels and mechanisms.
 - Providing technical support and funding to support these enterprises in participating in procurement calls.⁵⁶
 - **Building long-term trading relationships with enterprises owned or managed by people from underrepresented groups** to promote investment that will lead to more access to inputs and better practices and conditions for workers throughout the value chain.
 - **Using leverage to influence business relationships to establish favorable trading terms with female farmers** (e.g., prefinance, quick payments, and the flexibility to access other buyers).
- **Building capacity in partnership with local civil society organizations, experts and communities**, of the workforce (including management and workers), value chain business relationships, and local communities in locations where companies operate, to identify and prevent discrimination, harassment and actively promote equal opportunity and treatment through continuous training, sensitization resources, workshops, and ongoing support. These capacity building resources consider the concerns of safety, mobility, time burden, and access to technology of workers, especially those who are often subject to systemic exclusion. SDG-aligned companies also promote and facilitate the development of business models that channel more resources to farmers along the value chain (e.g., cooperatives, women-owned enterprises, social enterprises) by applying a gender-based approach.
- **Using leverage to support State action to address root causes of discrimination, harassment, and unequal opportunity**, through collective action with peer and cross-industry companies and in coordination with communities and civil society organizations. SDG-aligned companies do not impede relevant government efforts to fight discrimination, harassment, and unequal opportunity. State action SDG-aligned companies advocate for may include:
 - Eliminating existing discriminatory laws and policies.
 - Ensuring adequate legal frameworks and institutional capacity to act equitably and fairly, offer equal opportunities, and enforce laws to prevent and eliminate discrimination and harassment.
 - Implementing cultural transformation initiatives to eliminate stereotypical assumptions regarding certain populations' aspirations, preferences, capabilities, and "suitability" for certain jobs.
 - Strengthening educational and vocational training programs, guidance, and counseling aimed at closing gaps in the participation of underrepresented populations in the agri-food industry and others.
 - Developing social services and welfare policies to reduce and redistribute the care workload, which tends to hinder women's participation in the labor market.
 - Facilitating equal access to occupations and posts through employment equity policies.
 - Closing the wage gap between men and women for work of equal value.
 - Conducting gender and non-discrimination mainstreaming across national policies and programs.⁵⁷
- **Supporting community-led efforts and partners with civil society and international and local development organizations**. In addition to contributing to financing the SDGs through responsible tax practices, SDG-aligned companies may, in coordination and partnership with communities and civil society organizations:
 - Provide monetary grants or in-kind support to civil organizations that advocate for the protection of underrepresented groups' rights and develop programmatic work to close social gaps at local levels.
 - Co-develop strategies to prevent and eliminate discrimination and harassment and provide equal opportunities to communities in areas of operation (e.g., education programs, entrepreneurship support, leadership training, cultural programs, facilitating access to social security and financial services).⁵⁸

4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

To guarantee that victims of discrimination, harassment, and unequal treatment have access to remedy, SDG-aligned companies have and use their leverage to ensure their business relationships have effective grievance mechanisms^g in place.⁵⁹ These mechanisms are accessible to all workers, value chain workers, and any person from the community to report instances of discrimination and harassment (e.g., a Discrimination and harassment monitoring committee, operational-level grievance mechanisms, hotlines with effective grievance handling procedures). They also provide training or develop actions to communicate the existence and operation of such grievance mechanisms to all potentially affected stakeholders and communities.⁶⁰ Furthermore, the companies provide formal systems to encourage workers, whistle-blowers, and rights defenders to submit concerns and report instances of non-compliance with harassment and discrimination policies without fear of reprisal. These systems should not rely on technology that is not easily accessible to workers and their communities.

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies inform stakeholders about the legitimate channels and mechanisms to report crimes of discrimination, harassment (including sexual harassment and assault), and/or unequal treatment before judicial and non-judicial State authorities. They refrain from using legal waivers that preclude access to judicial recourse for victims of these issues and other human rights impacts. The companies cooperate with and support legitimate judicial and non-judicial State-based mechanisms to report and adjudicate relevant crimes.⁶¹ They facilitate and do not interfere with civil, criminal, and human rights examinations. Where State-based mechanisms order sanctions or remedy, SDG-aligned companies comply and use leverage to ensure their business relationships comply.

g. As defined by the UNGPs' Effectiveness Criteria for Non-Judicial Grievance Mechanisms ("In order to ensure their effectiveness, non-judicial grievance mechanisms, both State-based and non-State-based, should be: (a) Legitimate... (b) Accessible... (c) Predictable... (d) Equitable... (e) Transparent... (f) Rights-compatible... (g) A source of continuous learning... Operational-level mechanisms should also be: (h) Based on engagement and dialogue..." (see UNGP 31 for further information). (Source: United Nations, "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework.")

4.3. PROVIDE OR ENABLE REMEDY

When an SDG-aligned company identifies that it has caused or contributed to impacts of discrimination, harassment, and/or unequal treatment in its operations, value chain, or ecosystem, it acknowledges its part in the harm done and provides remedy. Where the company did not cause or contribute to the harm, it enables remedy through legitimate processes. Where the company did not cause or contribute to the harm, it enables remedy through legitimate processes. Depending on the impact which occurred and tailored to the needs of those impacted, some remedy actions include:⁶²

- Provide compensation for harm caused, including physical or psychological harm. Compensate workers for any lost income due to the failure to provide payment based on an objective, non-discriminatory evaluation of the value of their work.
- Provide professional counseling and healthcare services for physical and psychological harm caused by discrimination, harassment, or unequal treatment.
- Hire, promote, or reinstate a candidate who was denied a position, promotion, or was fired based on their gender, sex, race, ethnicity, or another characteristic.
- Publicly apologize for the harm caused by discriminatory practices, processes, and policies to the specific groups impacted.

5. TRACK PERFORMANCE

SDG-aligned companies track, on an ongoing basis and through qualitative and/or quantitative outcome-based performance indicators, the implementation of actions and the effectiveness of policy to align with the standard within target dates. The following are some examples of performance indicators to track progress in company operations and value chains over time:

- Percentage of resources spent with organizations owned and managed by people from underrepresented groups.
- Percentage of senior leadership, management, and all other level positions held disaggregated based on gender, race, ethnicity, the nation of origin, age group, and other key identity categories.
- The average wage paid disaggregated based on gender and race in all organizational position levels.
- Overall ratio and ratio by employee level of remuneration of women to men.
- Percentage of workers that participate in professional development training sessions, disaggregated by gender, ethnicity, race and other identity criteria, employee category (level and function), location, and the food and agriculture subsector in which the worker works.



- Percentage of employees recruited in the last year, disaggregated by gender, ethnicity, race and other identity criteria, employee category (level and function), location, and the food and agriculture subsector in which the worker works.
- Employee turnover rate, disaggregated by gender, ethnicity, race and other identity criteria, employee category (level and function), location, and the food and agriculture subsector in which the worker works.
- Percentage of employees promoted in the last year, disaggregated by gender, ethnicity, race and other identity criteria, employee category (level and function), location, and the food and agriculture subsector in which the worker works.
- Rate of workers that take maternity and paternity leaves, disaggregated by gender.
- Rate of employee request of the ease of transition back to the workplace after leaving.
- The number of grievances related to discrimination and workplace violence and harassment, disaggregated by gender, ethnicity, race and other identity criteria, employee category (level and function), location, and the food and agriculture subsector in which the worker works.
- Percentage of business relationships that have set specific targets on advancing non-discrimination and equality of opportunities.

SDG-aligned companies partner with trade unions, suppliers, government institutions, civil society organizations, and other stakeholders to design and implement effective tracking and monitoring mechanisms. Methods to track progress include:⁶³

- Third-party human rights impact assessments and thorough labor rights-oriented audits developed in collaboration with community members, women's rights organizations, indigenous women, gender diverse individuals, and other groups that have historically been excluded from these processes.
- Surveys, interviews, and other feedback mechanisms that collect perspectives from potentially affected stakeholders, including workers, trade unions, and civil society organizations, especially those most vulnerable to impacts.
- Complaints and grievances are raised through grievance mechanisms.

6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their non-discrimination & equality commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts on non-discrimination & equality in their operations and value chain, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:⁶⁴

- Measures they took during the reporting period to prevent and mitigate discrimination, harassment, and inequality of opportunities in their business operations, value chains, and ecosystems.
- Measures they take to assess disparate impacts and outcomes based on gender, race, ethnicity, and other identity categories.
- Any actions they have taken with peer companies, companies across industries, civil society, and/or governments to address discrimination, harassment, and inequality of opportunities and their root causes in the companies' ecosystems.
- Any impacts of discrimination and harassment identified in their operations, value chains, or ecosystems during the reporting period, including the number of people affected, their identities, the specific type of impact that occurred, the business relationship involved (i.e., first-tier supplier, agricultural supplier, point of sale), and the geographic location where the incident occurred.
- How each incident of discrimination and harassment was identified and addressed, including remediation plans, actions, and results.
- Analysis of trends demonstrating progress, and, where appropriate, explaining lessons learned from stagnation or decline towards meeting the standard and achieving intermediate and long-term targets on preventing and eliminating impacts of discrimination, harassment, and inequality of opportunities in its business operations, value chain, and ecosystem.⁶⁵

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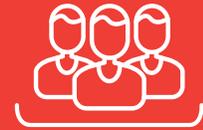


PILLAR 4
GOOD CORPORATE
CITIZENSHIP

18

GOVERNANCE & MANAGEMENT

STANDARD



18

**GOVERNANCE
& MANAGEMENT**

Commitment

Implement governance structures and management systems that center impacts of the company's operations, products, and value chain on people and planet.

Working together.
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Businesses, investors, governments, and civil society now recognize that the ways companies are governed and managed are among the root causes of today's unsustainable business practices. Indeed, the transformations needed to meet the SDGs require addressing corporate governance structures and management systems.¹

Only the companies that center sustainability and human wellbeing in governance and management can have the necessary buy-in and leadership from the top to overcome short-term commercial interests and take the measures needed to appropriately adjust business models and strategies. Oftentimes, sustainability is siloed within a single function in the company with little or no power to influence how the business operates. Governance structures and management systems centered on company impacts on people and planet are vital for ensuring social and environmental sustainability efforts are taken on holistically. Rather than sustainability only being in the purview of operational teams, top leadership ownership of these issues, with corresponding accountability for meeting targets, is required to ensure SDG-alignment is prioritized in the long term throughout the organization.



Key elements that signal a company has good governance that centers impacts on people and planet:

- The most senior level of the company (the Board, most senior governing body, or executive leadership) regularly engages with affected stakeholders to hear their perspectives on risks and impacts related to the issue areas of the Four Pillar Framework standards.
- The most senior level of the company actively seeks to understand how the business might be involved with negative impacts on people and planet and regularly discusses progress and challenges in addressing such situations.^a
- At a cross-cutting level, the most senior level of the company examines how the company's business model might be perpetuating problems across the issues included in the Four Pillar Framework standards.
- SDG-related targets linked to each of the Four Pillar Framework standards are approved by the most senior level of the company.
- Incentives for senior management are linked to the achievement of those targets^b, and existing incentives that might undermine progress are scrutinized.

Key elements that signal a company's management centers impacts on people and planet:

- Management and leadership play an active role in identifying risks and deciding what measures to take to align with the SDGs, applying a human rights-based approach to responsibly manage transformations.
- Management ensures the company has the competence, capacity, and systems in place to effectively assess and prioritize alignment with the SDGs.
- Leadership collaborates with peer companies and other stakeholders to address systemic challenges that may undermine the ability of the company and sector to address risks to people and planet and so contribute to the SDGs.
- Management and leadership routinely engage with subject-matter experts and affected stakeholders to gain additional insight about how to advance the company's practices.

a. Research from the Alliance for Corporate Transparency suggests that of the 1,000 European companies reviewed, "just 14 percent of companies report their Boards discussing specific issues in their non-financial report," as part of mandatory disclosures under the EU Non-Financial Reporting Directive. (Source: Alliance for Corporate Transparency, "2019 Research Report: An Analysis of the Sustainability Reports of 1000 Companies Pursuant to the EU Non-Financial Reporting Directive," 2019, https://www.allianceforcorporatetransparency.org/assets/2019_Research_Report%20Alliance_for_Corporate_Transparency.pdf.)

b. The 2019 report from the Alliance for Corporate Transparency found that of the 1,000 European companies reviewed, "only 15 per cent report a link between sustainability objectives and executive remuneration." (Source: Alliance for Corporate Transparency.)



SDG 10 – Reduced inequalities

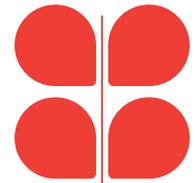
Target 10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

Target 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.



SDG 16 – Peace, justice and strong institutions

Target 16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels.



**PILLAR
4**

GOOD CORPORATE
CITIZENSHIP

SDG-ALIGNMENT: ALIGNING CORPORATE PRACTICES WITH THIS STANDARD DIRECTLY CONTRIBUTES TO EACH OF THE 17 GOALS, given the importance of governance to company alignment with each of the goals. In particular, doing so contributes to the process- and institution-related SDGs.



STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The Board or the most senior level of SDG-aligned companies adopt a policy centered on a public commitment to environmental and social sustainability, including a commitment to respect all internationally recognized human rights. This policy applies to a company's operations and business relationships, including through the use of its products and when interacting with government institutions.

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Communicate expectations for implementing the policy commitment internally and externally to business relationships, including shareholders.
- Integrate the policy into by-laws and other governance documents (e.g., Code of Conduct and Code of Ethics).
- Ensure that governance documents do not contradict the environmental and social sustainability policy commitment in form or substance.²

2. ASSESS ACTUAL & POTENTIAL IMPACTS

SDG-aligned companies identify and assess actual or potential adverse social and environmental impacts related to all Four Pillar Framework standards with which they may be involved through their activities, business relationships, or products. They also assess how features or gaps in their governance structures, management systems, culture, policies, and business model may cause or contribute to those impacts. For example, Directors evaluate the adequacy of their own expertise required to properly take account of a company's most severe and likely social and environmental issues.³ The companies also consult with potentially affected stakeholders on an ongoing basis as an integral part of assessing the actual and potential impacts of companies on people and the environment and ensuring decisions and approaches concretely serve community needs and priorities.⁴

3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their assessments of actual or potential adverse social and environmental impacts related to all Four Pillar Framework standards into relevant internal functions and processes by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set intermediary and long-term targets for their sustainability strategies linked to the Four Pillar Framework standards aimed at preventing, mitigating, and remediating their actual and potential social and environmental impacts that are the most severe and likely. The targets are developed with input from subject-matter experts and from affected stakeholders or their legitimate representatives.⁵ Targets are articulated in terms of the intended outcomes for affected stakeholders and the environment, relevant to addressing the companies' most severe and likely impacts, and "specific, measurable, achievable and time-bound."⁶

3.2. TAKE ACTION

SDG-aligned companies integrate the findings of their assessments into relevant internal functions and processes by taking appropriate actions to ensure their management systems are reinforced with due diligence processes to prevent, mitigate or remediate actual and potential social and environmental impacts (across all Four Pillar Framework standards).⁷ Some specific measures that the companies implement include:

- **Accepting and not rejecting shareholder resolutions that call for companies to meet commitments and responsibilities related to the Four Pillar Framework standards.** When such resolutions are filed, the companies engage with shareholders in good faith.
- **Ensuring Board independence**, meaning that the chair of the Board of Directors is not a current or former CEO of a parent company or a subsidiary of the company, and a majority of Directors are independent from the company (i.e., they do not have a monetary or material pecuniary relationship with the company).⁸
- **Including environmental and social perspectives in strategic decision-making. Board strategic decision-making** is informed by the perspectives of stakeholders affected by a company's most severe and likely environmental and social impacts, and the Board ensures it has relevant expertise to review and track the content and implementation of the company's sustainability strategy, including by:
 - Including worker and other affected stakeholder representation on the Board;⁹
 - Establishing an independent advisory board or committee that reports to the Board of Directors comprised of worker representatives, affected stakeholders, relevant civil society organizations, and experts on impacts related to the Four Pillar Framework standards;¹⁰
 - Establishing a workers' council which reports to the Board;¹¹
 - Having independent expertise on the Board related to the topics covered by the Four Pillar Framework standards.¹²
- **Ensuring that the Board approves and oversees progress in the implementation of a group-wide fit-for-purpose sustainability strategy with targets linked to the Four Pillar Framework standards** with a focus on using a human rights-based approach to responsibly manage transformations.
- **Allocating sufficient financial resources for implementing the sustainability strategy** and addressing actual and potential social and environmental impacts.¹³
- **Ensuring that the Board regularly reviews and challenges the company's business model and strategy** to ensure any inherent social and environmental risks are identified and addressed.¹⁴
- **Establishing regular Board discussion on the progress and challenges in addressing the most severe and likely social and environmental risks and impacts**, informed by related complaints or grievances from stakeholders, root cause analyses of major incidents, and insights of credible experts.¹⁵
- **Investing in a fund to remedy social and environmental impacts and safeguard the livelihoods of workers** in company operations and value chains in the event of economic shocks.
- **Ceasing publicly-traded company engagement in stock buybacks** until they have (1) achieved net-zero emissions and (2) ensured living wages and incomes across their operations and value chain.¹⁶
- **Ensuring the benefits and ownership of publicly traded companies accrue to workers**, including through dispersing dividends to workers commensurate with shareholder dividends.¹⁷
- **Tasking a cross-functional council, Board, task force, or committee with the day-to-day management of social and environmental risks throughout the company** to facilitate strategic discussions on these priorities.¹⁸ This group ensures coherence of processes through which the company makes decisions on how best to address each social and environmental issue in practice across its operations and business relationships, including in situations in which dilemmas arise between business objectives and social and environmental objectives.¹⁹
- **Integrating risk to people and planet**, with a focus on the most severe and likely actual and potential impacts on people and planet, into enterprise risk-assessments.
- **Mitigating incentives to focus on short-term metrics** by linking a significant percentage of KPIs for remuneration and performance incentives (bonuses) for the Board and senior management to achieving intermediate and long-term targets set in the sustainability strategy and aligned with the SDGs as elaborated by the Four Pillars.²⁰ Any top management performance incentives that may promote behaviors that undermine respect for people and the environment are adjusted or removed.²¹
- **Establishing stakeholder engagement systems and processes to identify and engage with stakeholders** who may be or may have been negatively impacted by company activities or business relationships.²²



4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

SDG-aligned companies have and use their leverage to ensure their business relationships have effective grievance mechanisms^c in place to handle all issues relevant to the Four Pillar Framework standards.²³ These mechanisms are accessible to workers, value chain workers, community members, and consumers.

The companies have a process for severe grievances related to environmental and social sustainability to be escalated to senior leadership or most senior governance bodies. The board or most senior governance body has the mandate to oversee the effectiveness of company grievance mechanisms.

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

Where a company's governance and management activities contribute to negative impacts, the company participates in legitimate public grievance mechanisms and sanctions regimes for their involvement in the harm caused.

4.3. PROVIDE OR ENABLE REMEDY

When a company identifies that it has caused or contributed to impacts across any of the Four Pillar Framework standards in its operations or value chain, it acknowledges its part in the harm done and provides remedy through legitimate processes. Where the company did not cause or contribute to the harm directly, it enables remedy through legitimate processes.

5. TRACK PERFORMANCE

SDG-aligned companies monitor progress in addressing actual and potential impacts and meeting targets through the following mechanisms: independent third-party assessments and audits of company culture; surveys and interviews to collect perspectives of potentially affected stakeholders, including trade unions and civil society organizations, with a focus on those most vulnerable to impacts; complaints and grievances raised through grievance channels or mechanisms. SDG-aligned companies assess the effectiveness of their efforts to meet targets and adjust activities accordingly.²⁴

6. DISCLOSE PERFORMANCE

In an annual progress report approved by the Board, SDG-aligned companies disclose detailed information on their progress towards meeting the standard related to each of the due diligence steps described above, including integration and action measures.²⁵ The companies disclose their social and environmental risks and impacts across their operations and business relationships and how they are preventing, mitigating, and addressing actual and potential impacts related to those issues.²⁶ The companies disclose information on all of the steps described above, including how their environmental and social impacts have been integrated into their governance structures, management systems, and incentives. To support learning, SDG-aligned companies share aggregate data and high-level findings with international and local organizations, and researchers.

c. As defined by the UNGPs' Effectiveness Criteria for Non-Judicial Grievance Mechanisms ("In order to ensure their effectiveness, non-judicial grievance mechanisms, both State-based and non-State-based, should be: (a) Legitimate... (b) Accessible... (c) Predictable... (d) Equitable... (e) Transparent... (f) Rights-compatible... (g) A source of continuous learning... Operational-level mechanisms should also be: (h) Based on engagement and dialogue...") (see UNGP 31 for further information). (Source: United Nations, "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework," 2011, https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)

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Efforts to align with the Pillar 4 standards are distinctly catalytic due to their potential for society-level impact. By centering impacts on people and planet in governance and management systems and engaging in responsible policymaking influence, tax, and litigation practices, companies can enable, and avoid undermining, alignment with the other standards.

Bell peppers being bottled.
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PILLAR 4
GOOD CORPORATE
CITIZENSHIP

19

POLICYMAKING INFLUENCE

STANDARD



Commitment

Refrain from activities that increase company influence over policymaking to achieve company or industry interests at the expense of achieving the 2030 Agenda. Support government efforts to achieve the SDGs.

Group discussion.
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Corporate political engagement can be a legitimate avenue for providing insights and data to improve policymaking.¹ However, undue business influence in public policymaking can provide companies with unfair advantages at the expense of the State’s ability to safeguard the environment and human rights, undermining a country’s achievement of the SDGs.



The use of company influence in public policymaking may occur through illegal means, such as bribery, extortion, embezzlement, and fraud.² Legal channels include lobbying (in local, national, regional, and international contexts), financial support to political parties and election campaigns,^a threatening or bringing claims against States through investor-state dispute settlement systems,^b filing amicus curiae briefs,^c exploiting the ‘revolving door,’^d and diverting attention through public relations activities.³ Furthermore, indirect political contributions through intermediaries, such as lobbyists or trade associations allow companies to circumvent legislation that limits the amount companies can spend on political parties and campaigns.⁴

For example, a study from 2021 shows that in the U.S., between 1998 and 2019, the agribusiness industry spent \$2.5 billion on lobbying, compared to \$2.4 billion by the defense industry. The same study shows that taken as a share of each company’s total revenue since 2000, Tyson has spent double what Exxon has on political campaigns and 33% more on lobbying. Meat and dairy-related trade associations in the U.S. have “spent nearly \$200 million on lobbying since 2000, lobbying yearly on climate-related issues.”⁵

Soft drink companies and their trade associations have spent tens of millions of dollars globally trying to strip states, cities, and towns of their abilities to tax soda.⁶ Where extraordinary lobbying efforts succeed against public opinion, they can undermine public trust in democratic institutions and processes. Finally, amid the COVID-19 pandemic, some companies in the food sector with operations in the U.S. used their influence to lobby Congress, directly and through trade associations, to limit liability for exposing their workers to COVID-19.⁷

If a company or its representatives (including trade associations) exercise or seek to exercise influence over the legislative, regulatory, policy, or legal actions of State officials or entities in a way that interferes with the realization of the 2030 Agenda, it cannot be aligned with the SDGs. Companies may use their policymaking influence in support of the SDGs, however. For example, when informed by the perspectives of potentially affected stakeholders and relevant experts, a company may, on its own or with peers, lobby for enforcement of climate regulation that aligns with the ambitions of the Paris Agreement or write an amicus brief to the high court advocating for more stringent regulation of their sector’s impacts on the environment, nutrition, or labor rights.

Nevertheless, the norm so far has been for companies to use their policymaking influence to undermine the 2030 Agenda. While many companies have human rights and environmental policies and management systems, these rarely refer to or apply to policymaking influence activities. Instead, companies directly or indirectly advocate against robust government regulation or enforcement that would hold themselves and their peers accountable for meeting their sustainability commitments. Moreover, the undue influence of business activities in policymaking is rarely addressed by rankings and assessments of firms’ corporate social responsibility and environmental, social, and governance (ESG) efforts.

A Ceres report shows that while a growing number of companies have emissions-reduction targets, many of these lobby against pro-climate policy, and while about three-quarters of the S&P 100 are members of the anti-climate action U.S. Chamber of Commerce, only 7% “disclosed that they have engaged with the Chamber to evolve its climate change position to align with climate science.”⁸ An OECD report found “it may be necessary to specify the due diligence companies should undertake to ensure that their lobbying activities are aligned with their sustainability commitments.” This standard aims to contribute to that effort.

Because government action is necessary to guide and enforce business alignment across the SDGs, efforts to influence regulation or enforcement can impact a company’s meaningful alignment with all of the SDGs and all of the issue-specific standards across the Four Pillars.

- a. Monetary contributions to political campaigns influences policymakers. One study found that in the United States, “every additional \$10,000 a representative received from [climate change] countermovement industries significantly decreased odds of their taking the pro-environmental stance even when controlling for representatives’ demographics, districts, Congressional polarization and time-period.” (Source: Kerry Ard, Nick Garcia, and Paige Kelly, “Another Avenue of Action: An Examination of Climate Change Countermovement Industries’ Use of PAC Donations and Their Relationship to Congressional Voting over Time,” *Environmental Politics* 26, no. 6 (November 2, 2017): 1107–31, <https://doi.org/10.1080/09644016.2017.1366291>.) Another study measuring the relationship between political influence and benefits from the largest COVID-19 stimulus package passed by Congress found, “Generally, a dollar spent on political influence by 2,758 unique firms on COMPUSTAT is associated with \$20.67 of higher annual earnings in the future. This return is orders of magnitude larger than the payoff to R&D or advertising.” (Source: John A. Barrick, Adam J. Olson, and Shivaram Rajgopal, “Returns to Seeking Political Influence: Early Evidence from the COVID-19 Stimulus,” SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, April 28, 2021), <https://doi.org/10.2139/ssrn.3845677>.)
- b. Investor-State Dispute Settlement (ISDS) mechanisms are commonly included in bilateral investment treaties between States in order to stimulate international investments and protect foreign investors against decisions that might create instability or unpredictability for companies from one country investing in the other. Multinational companies can thus use these mechanisms to bring claims against the State if they believe regulatory action threatens the profitability of their investments. Companies have used these mechanisms to take States to international arbitration to challenge the adoption of robust regulation that would protect human rights or the environment while regulating the conduct of business.
- c. Amicus Curiae, or “friend of the court,” briefs seek to influence the court’s decision filed by a person or group who is not a party to an action, but has an interest in the matter. These briefs are allowed in common law jurisdictions, but others, including across the European Union and in Brazil, have begun to allow amicus curiae briefs, as well. Amicus briefs can influence the lawmaking function of courts. For example, in the United States, the U.S. Chamber of Commerce filed 448 amicus curiae briefs with the Supreme Court between 2005 and May 2020, and the Court sided with the Chamber’s position 70% of the time. (Source: Senator Debbie Stabenow, Senator Chuck Schumer, and Senator Sheldon Whitehouse, “Captured Courts: The GOP’s Big Money Assault on the Constitution, Our Independent Judiciary, and the Rule of Law,” May 2020, <https://www.democrats.senate.gov/imo/media/doc/Courts%20Report%20-%20FINAL.pdf>.)
- d. ‘Revolving door’ refers to the flow of personnel from policymaking and enforcement posts in government offices to the private sector and lobbying roles, and vice versa. The revolving door is a means through which companies may influence regulation of their company and industry. For example, an empirical analysis of the linkages between government officials’ professional background and financial regulation found that the revolving door has real-world implications (“[C]entral bank governors with past experience in the financial sector deregulate significantly more than governors without a background in finance” and finance ministers “are more likely to be hired by financial entities in the future if they please their future employers through deregulatory policies during their time in office.”) (Source: Elisa Maria Wirsching, “The Revolving Door for Political Elites,” 2018, 19.)



SDG 17 – Partnerships for the goals

Target 17.15: Respect each country’s policy space and leadership to establish and implement policies for poverty eradication and sustainable development.

SDG-ALIGNMENT: ALIGNING CORPORATE PRACTICES WITH THIS STANDARD DIRECTLY CONTRIBUTES TO EACH OF THE 17 GOALS, given the importance of regulation in achieving each of the goals. In addition, doing so contributes to the process- and institution-related SDGs:



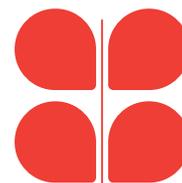
SDG 16 – Peace, justice and strong institutions

Target 16.3: Promote the rule of law at the national and international levels and ensure equal access to justice for all.

Target 16.5: Substantially reduce corruption and bribery in all their forms.

Target 16.6: Develop effective, accountable and transparent institutions at all levels.

Target 16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels.



PILLAR 4

GOOD CORPORATE CITIZENSHIP

BOX 26: POLICYMAKING INFLUENCE ACTIVITIES

Companies might take positions for or against regulation, enforcement of regulations, or the content of specific regulations. This standard covers the ways they advocate for those positions through directly and indirectly influencing the rules and rule-makers which govern their business conduct.

Activities companies might undertake to influence policymaking to align with its positions include:

- Illegal activities such as bribes and other forms of corruption
- Lobbying through meetings with lawmakers
- Making political contributions (financial payments to candidates or parties)
- Exploiting the revolving door by holding a position for a lawmaker
- Submitting amicus curiae briefs
- Submitting investor-state dispute settlement claims
- Providing testimony before Congress, parliament, or regulatory bodies
- Funding research centers and think tanks
- Engaging in public relations campaigns and social media strategies to change public perceptions

Specific examples of policymaking influence activities that may undermine the achievement of the SDGs include:

- Lobbying to weaken mandatory disclosure of accurate nutritional information on packaging
- Writing an amicus brief in a case that would limit access to justice or cap damages for workers or communities harmed by company activities
- Investor-state dispute system claims against environmental regulation
- Lobbying for corporate tax cuts
- Exploiting preferential treatment by the State through “Special Economic Zones.”



STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

SDG-aligned companies adopt a policy centered on a public commitment to democracy, the right to public participation, the State's right to regulate and enforce regulations in the public interest, and the importance of public institutions and laws that are responsible, accountable, and protect equality before the law. The policy:

- Specifies that the companies (1) prohibit bribery and corruption in its own activities and business relationships, (2) support government efforts to achieve the SDGs, and do not directly or indirectly engage in policymaking influence activities to achieve company or industry interests at the expense of achieving the SDGs, and (3) do not make political contributions.⁹
- Aligns with and references the international standards listed in Box 27.
- The commitment stipulates oversight of policymaking influence activities of the company and its business relationships by the highest governing body, establishes a systemic approach to anti-bribery and anti-corruption supported by appropriate controls, and establishes engagement and escalation processes to manage instances in which corruption or misalignment is identified.¹⁰

BOX 27: INTERNATIONAL HUMAN RIGHTS STANDARDS ON DEMOCRACY AND PUBLIC PARTICIPATION

- Universal Declaration of Human Rights, Article 21.¹¹
- International Covenant on Civil and Political Rights, Article 25.¹²

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Build the capacity of internal stakeholders, including in-house government relations, counsel, marketing, communications, and public relations teams, to ensure they understand they are expected to engage in ways that support and do not undermine the achievement of the SDGs and the company's overall SDG-aligned sustainability strategy.¹³
- Set expectations for those who represent the company and other business relationships, including trade associations, marketing, public relations, political consultants, law firms, and third-party lobbyists, and embeds these expectations in contracts with business relationships, and builds their capacity to comply with the company's policymaking influence policy.¹⁴

2. ASSESS ACTUAL & POTENTIAL IMPACTS

SDG-aligned companies identify and assess the actual or potential impact of direct and indirect policymaking influence activities on people and the environment in all geographies.¹⁵ Policymaking influence activities that may undermine the SDGs include lobbying to undermine the achievement of any of the SDGs or any of the standards included in the Four Pillar Framework for the Food Sector (see Box 26 above with examples of policymaking influence activities).

The companies also assess the policymaking influence activities of business relationships, including trade associations, to ensure they accurately represent the company's commitments to social and environmental sustainability.

The assessments of these impacts are informed by social and environmental sustainability experts and the views and perspectives of stakeholders potentially impacted by public policy decisions, with a focus on those most vulnerable to negative impacts due to poverty and other forms of inequality.

3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their assessments of any actual or impact of direct and indirect policymaking influence activities into relevant internal functions and processes by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific time-bound intermediate and long-term targets to prevent and mitigate related impacts that are ambitious enough to contribute significantly to the SDGs' achievement. The intermediate targets are relevant for companies to monitor their and their business relationships' continuous improvement towards meeting the standard. Where possible, indicators measure outcomes rather than outputs or activities.

3.2. TAKE ACTION

SDG-aligned companies integrate the findings of assessments into relevant internal functions and processes. They take appropriate actions to ensure their due diligence processes prevent, mitigate or remediate impacts on people and planet that may result from policymaking influence activities.¹⁶ Depending on the specific risks and impacts identified, measures to address actual or potential instances of workers receiving less than a living wage or producers earning less than a living income include:

- **Centering on people and the environment and aligning with national sustainable development plans when engaging in activities that influence policymaking** in support of government achievement of the SDGs.^e Fill gaps in knowledge by engaging with potentially affected stakeholders, civil society organizations, and relevant experts.
- **Eliminating bribery and corruption in all its forms** in relation to company and value chain activities.
- **Actively identifying, preventing, and removing any conflicts of interest** that persons linked to the company's activities, services, or products may have.¹⁷
- **Refraining from or ceasing all lobbying** that seeks to influence legislation, regulation, trade agreements, and treaties in ways that undermine the 2030 Agenda.¹⁸
- **Refraining from or ceasing promoting deregulation of industry or threatening to withdraw investments** if new public health, social, or environmental policies aligned with achieving the SDGs are introduced or enforced.¹⁹
- **Refraining from or ceasing all direct and indirect financial and in-kind contributions** to political parties, election campaigns, candidates, and politicians.²⁰
- **Refraining from filing investor-state dispute settlement claims** to constrain the legitimate lawmaking or policymaking of States to regulate the conduct of corporate actors in the public interest.
- **Bringing legitimate claims through domestic channels** that allow an appropriate application of domestic law.
- **Refraining from or ceasing exploiting preferential State treatment.**
- **Avoiding application of the generally applicable law** through stabilization clauses, Special Economic Zones granting relative impunity in relation to environmental and human rights laws, and other contractual arrangements.
- **Focusing on company efforts to ensure products are healthful and environmentally sustainable**, rather than emphasizing the role of consumer behaviors, including through lobbying and public relations campaigns aimed at shifting responsibility from industry to consumers.²¹
- **Addressing risks associated with the revolving door phenomenon**, which requires top leadership, government relations, and lobbying staff to sign 'non-complete-type' clauses that stipulate they may not undertake roles in lobbying, drafting, or enforcing legislation or regulations related to the industry within three years after employment with an SDG-aligned company. This three-year cooling-off period also applies to hiring people directly from government positions.^f
- **Refraining from or ceasing creating or funding organizations to produce an impression of widespread grassroots opposition** to robust social and environmental measures that would impact the company's business interests (also known as "astroturfing").²²
- **Refraining from or ceasing influencing the discussion of social or environmental issues at hand**, including by diverting attention through commissioning research or public relations campaigns that support a company's interests^g (also known as "smokescreens").²³

e. For example, over four hundred businesses and investors signed an open letter to President Biden expressing their support for setting a federal climate target to reduce emissions by 50% below 2005 levels by 2030. The letter was coordinated by The B Team, We Mean Business Coalition, and Ceres. (Source: We Mean Business Coalition, "Businesses and Investors Support U.S. Federal Climate Target in Open Letter to President Biden," We Mean Business Coalition (blog), April 13, 2021, <https://www.wemeanbusinesscoalition.org/ambitious-u-s-2030-ndc/>.)

f. France's Penal Code (Article 432) "places restrictions on private-sector employees' appointed to fill a post in the public administration. For a period of three years after the termination of their functions in their previous employment, they may not be entrusted with the supervision or control of a private undertaking, with concluding contracts of any kind with a private undertaking or with giving an opinion on such contracts. They are also not permitted to propose decisions on the operations of a private undertaking or to formulate opinions on such decisions... Any breach of this provision is punished by two years' imprisonment and a fine of EUR 30,000." (Source: OECD, "Lobbying in the 21st Century: Transparency, Integrity and Access," March 20, 2021, <https://www.oecd.org/corruption-integrity/reports/lobbying-in-the-21st-century-c6d8eff8-en.html>.)

g. For example, studies funded by the beverage industry are four to eight times more likely to show a finding favorable to the industry than independently-funded studies. (Source: Lenard I. Lesser et al., "Relationship between Funding Source and Conclusion among Nutrition-Related Scientific Articles," *PLOS Medicine* 4, no. 1 (January 9, 2007): e5, <https://doi.org/10.1371/journal.pmed.0040005>.)



- **Engaging company representatives and other business relationships to influence their activities to align with the SDGs.** SDG-aligned companies increase their leverage by (1) taking a more active role in the organization's committee or advisory group to advocate for a change in stance, including by amending membership rules; and (2) partnering with peer members of such groups and through engagement with other parties, including civil society organizations, to change the organization's stance.^h Where one of its business relationship's activities do not change to align with the SDGs within a reasonable timeframe, a company publicly terminates its relationship, citing its reasons for doing so, including the respective areas of misalignment.²⁴

h. For example, some companies have publicly ended their memberships with the U.S. Chamber of Commerce over its lobbying practices in opposition to climate action on their behalf. In 2009, Apple, PG&E, Exelon, and PNM Resources all left the Chamber, while General Electric and Johnson & Johnson issued statements regarding their disagreements with the Chamber's climate policy. (Source: The Guardian, "Apple Joins Chamber of Commerce Exodus over Climate Change Scepticism," the Guardian, October 6, 2009, <http://www.theguardian.com/environment/2009/oct/06/chamber-commerce-apple-climate-change>.) In its statement explaining why it resigned from the Chamber's board of directors, Nike stated "we fundamentally disagree with the US Chamber of Commerce on the issue of climate change and their recent action challenging the EPA is inconsistent with our view that climate change is an issue in need of urgent action. We will continue our membership to advocate for climate change legislation inside the committee structure and believe that we can better influence policy by being part of the conversation. Moving forward we will continue to evaluate our membership." (Source: Nike News, "Nike Statement Regarding U.S. Chamber of Commerce," Nike News, September 30, 2009, <https://news.nike.com/news/nike-statement-regarding-us-chamber-of-commerce>.) In 2017, food sector companies Nestlé, Unilever, Danone, and Mars left the US-based Grocery Manufacturers Association over disagreements regarding the trade association's stance on key policy issues. (Source: Caitlin Dewey, "Four of the World's Largest Food Companies Have a New Plan for Fixing Food and Farm Policy," Washington Post, 2018, <https://www.washingtonpost.com/news/wonk/wp/2018/07/12/four-of-the-worlds-largest-food-companies-have-a-new-plan-for-fixing-food-and-farm-policy/>.) (Source: Jessica Piper, "After Leaving Prominent Trade Group, Alliance of Food Giants Hires First Lobbyists," OpenSecrets News, June 12, 2019, <https://www.opensecrets.org/news/2019/06/after-leaving-prominent-trade-group-alliance-of-food-giants-hires-first-lobbyists/>.) Unilever's CEO Alan Jope wrote an open letter to the company's trade associations in October 2019 asking them to confirm their lobbying position aligned with the Paris Agreement. (Source: Alan Jope, "Letter to Trade Associations on Climate Policy," 2019, https://www.unilever.com/Images/letter-to-trade-associations-on-climate-5-june-2019_tcm244-537495_en.pdf.)

4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

SDG-aligned companies establish effective, confidential, and anonymous grievance mechanisms that are available to all stakeholders to ensure that victims of adverse occupational health and safety impacts have access to remedy. They also establish whistleblower protections to enable and protect both internal and external stakeholders reporting cases of misconduct related to corruption and other policymaking influence activities.²⁵

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

Where a company's policymaking influence activities contribute to negative impacts, the company participates in legitimate public grievance mechanisms and sanctions regimes for their involvement in the harm caused.

4.3. PROVIDE OR ENABLE REMEDY

Where a company's direct or indirect activities contributed to harm, the company provides remedy, which includes, depending on the circumstances, a public apology, acknowledgment of its role in the harm, and contributions to reparations funds. Where the company did not cause or contribute to the harm directly, it enables remedy through legitimate processes.

5. TRACK PERFORMANCE

SDG-aligned companies monitor and review the effectiveness of the implementation of its policies and procedures covering policymaking influence to ensure that the strategy, policies, and procedures are effective and to support continuous improvement to meet the standard.²⁶ The companies track progress based on assessments of the social and environmental impacts of policy positions they have directly and indirectly advocated for, informed by experts and affected stakeholders.

6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their policymaking influence commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts related to their policymaking influence activities, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:

- Methods used to identify direct and indirect legal and illegal policymaking influence activities in specific locations across company operations and value chain.²⁷
- Methods used to assess impacts of direct and indirect policymaking influence activities for alignment or potential undermining of achievement of the SDGs and the decisions made based on the assessments.
 - **Direct influence:**
 - Where a company took positions and engaged in influencing activities on specific policies and regulations during the reporting period. These may include written or oral submissions to regulatory or lawmaking processes (e.g., input into formal rulemaking processes, roles on any advisory bodies or committees, testimony given in public hearings before Congress or parliament).²⁸
 - How those activities may impact the achievement of the SDGs^{29,30} Where relevant, position papers on policymaking influence objectives that explore coherence with the company's policymaking influence policy commitment.
 - If a company continues to make political contributions in contravention of this standard, it clearly reports contributions in every country where it makes them, including the total monetary value of financial and in-kind political contributions made directly and indirectly by country and recipient/beneficiary.³¹
 - **Indirect influence:**
 - All monetary and non-monetary contributions to third parties (political parties, trade associations, and lobbyists)³² and whether a company restricts the use of its fees for lobbying activities;
 - A company's membership and involvement with all third-party trade associations and lobbying groups;
 - The positions of these third-party associations and groups the company is a member of;
 - What lobbying activities and expenditures the third-party engaged in during the reporting period;
 - Where the third party continues to make political contributions, the company uses leverage to ensure transparency of those contributions in every country where they are made, including the total monetary value of financial and in-kind political contributions made directly and indirectly by country and recipient/beneficiary;
 - Where the third-party associations and groups do not align with the SDGs or the company's social and environmental sustainability commitments, the company discloses efforts it has made to use its leverage to influence the positions of these groups to bring them into alignment;
 - If the company terminates any relationships with third-party associations or groups due to SDG misalignment during the reporting period, the company makes a public statement about the termination and cites the specific areas of misalignment.³³
 - Where a company hires or seeks to hire a former public official, (1) if an offer or agreement was made before the official resigned, what that offer or agreement was; (2) what qualification, tasks, and compensation were offered; and (3) the results of an external review of the individual's performance.



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PILLAR 4
GOOD CORPORATE
CITIZENSHIP

20

TAX

STANDARD

20

TAX



Commitment

Eliminate the average gap between the tax paid and the statutory rate over any five-year period in each country where value is created for the company and its subsidiaries.

Analysing business finances.
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Tax is a critical tool to mobilize the domestic resources for the investments, services, and institutions necessary to achieve the SDGs. In 2020, the United Nations Conference on Trade and Development found that global SDG investment “remains far from the target to meet the \$2.5 trillion annual financing gap for developing countries.”¹ On climate action alone, developed countries formally committed to jointly mobilizing US\$ 100 billion per year by 2020 to address the needs of developing countries;² a commitment they never met.³ Yet, hundreds of billions of U.S. dollars of tax revenue are lost each year because of corporate tax avoidance and evasion. Scandals like the Panama Papers, Paradise Papers, Luxembourg Leaks, and Pandora Papers have exposed the widespread practices of corporate tax dodging and their corresponding consequences on public budgets.



Some of the strategies companies deploy to reduce their tax burdens include lobbying for tax holidays or incentives and profit shifting. Profit shifting means moving profits to lower tax jurisdictions offshore, including through anonymous shell companies and transfer mispricing,^a thus eroding the tax base of higher tax jurisdictions. Indeed, in the Luxembourg Leaks of tax documents in 2014, some of the largest food processing companies' European operations have restructured under subsidiaries in Luxembourg to avoid paying higher corporate taxes in other European jurisdictions.⁴ Many food sector companies also shift profits to Switzerland through their commodity trading arms in the lower-tax country.⁵

Tax havens cost governments tax revenue. While there is no consensus around the collective losses of corporate tax revenue globally, some studies estimate that they amount to up to US\$ 600 billion per year, through legal and illegal means.⁶ Of that lost revenue due to tax avoidance, some studies have shown approximately US\$ 200 billion is lost from low-income economies, or around 1.3% of GDP in those countries, a larger hit as a percentage of GDP than in higher-income economies.⁷ This is also more than the US\$160 billion low-income countries receive each year in foreign development assistance.⁸ Researchers estimate that “close to 40% of multinational profits are shifted to tax havens globally,”⁹ which constitutes approximately US\$ 650 billion each year.¹⁰ In 2017, American Fortune 500 companies alone held an estimated \$2.6 trillion offshore.¹¹

Corporate tax practices driven by tax minimization also undermine corporate investments in countries. For example, companies which move from jurisdiction to jurisdiction in pursuit of discretionary tax holidays are “less likely to invest in local infrastructures and economies, and less likely to create good quality, high skilled jobs than a company making more stable, non-tax-motivated decisions about its business operations.”¹²

For a company to align its tax practices with the SDGs, simply complying with the law is not sufficient. While some governments are mobilizing efforts to fight these strategies,^b many of the aggressive tax minimizing strategies companies deploy are within the letter, but not the spirit, of the law. The UN Economic and Social Council reiterated that according to the UN Guiding Principles on Business and Human Rights, business entities are expected to respect economic, social, and cultural rights “regardless of whether domestic laws exist or are fully enforced in practice.”¹³ Accordingly, where States have not managed to properly address tax avoidance strategies, companies have a responsibility to make sure they are not involved with such outcomes through their tax practices or those of their business relationships.

By implementing more responsible, SDG-aligned tax practices, and stemming abuse of the gaps in the global tax system, food companies can significantly contribute to sustainable development.

-
- a. Transfer mispricing entails setting the prices of goods and services that are sold between subsidiaries in different countries in ways that shift profits for maximum tax benefit.
 - b. For example, in 2021, the Canadian government took a major step toward ending anonymously-owned companies, committing in its annual budget to establish a public registry of corporate ownership by 2025, and the US Congress passed legislation that effectively bans shell companies. (Source: Alex Boutilier, “Ottawa Targets Tax Evaders with Public Registry of Corporate Owners,” thestar.com, April 21, 2021, <https://www.thestar.com/politics/federal/2021/04/21/ottawa-targets-tax-evaders-with-public-registry-of-corporate-owners.html>. 116th Congress (2019-2020), “H.R.6395 - 116th Congress (2019-2020): National Defense Authorization Act for Fiscal Year 2021,” legislation, January 1, 2021, 2019/2020, <https://www.congress.gov/bill/116th-congress/house-bill/6395/text>. The Government of Denmark has refused to provide COVID-19 pandemic-related financial assistance to companies located in offshore tax havens, and has asked companies to align their practices and tax practices with the Guiding Principles. UN Working Group, “Connecting the Business and Human Rights and the Anti-Corruption Agendas,” Forty-Fourth Session (UN Human Rights Council, June 17, 2020), https://doi.org/10.1163/2210-7975_HRD-9970-2016149.)



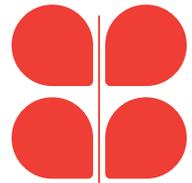
SDG-ALIGNMENT: THIS STANDARD CONTRIBUTES DIRECTLY TO EACH OF THE 17 GOALS, given the importance of tax for States to be able to fund the achievement of the 2030 Agenda. In addition, responsible tax practices contribute to:



SDG 17 – Partnerships for the goals

Target 17.1: Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection.

Target 17.15: Respect each country’s policy space and leadership to establish and implement policies for poverty eradication and sustainable development.



**PILLAR
4**

GOOD CORPORATE
CITIZENSHIP



STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior level of SDG-aligned companies adopt a policy to respect, and enable fulfillment, of economic, social and cultural rights, including the rights to social security, health, education, and development, by engaging in responsible tax practices. The policy:

- Aligns with and references the international standards listed in Box 28.
- States that the company and its subsidiaries and joint ventures (1) pay the right amount of tax, at the right time, in the countries in which it creates value, (2) do not engage in arrangements whose sole purpose is to create a tax benefit in excess of what is reasonably understood to be intended by relevant tax rules, and (3) do not negotiate special tax holidays, incentives and rates that are not generally available to all market participants.¹⁴
- States implementation is overseen by the highest governing body and day-to-day responsibility for implementation is clearly defined.
- Includes a set of principles that apply to the tax practices of all of the company's entities, subsidiaries, and joint ventures in all jurisdictions.^c

BOX 28: INTERNATIONAL HUMAN RIGHTS STANDARDS RELEVANT TO TAXATION

- Universal Declaration of Human Rights, Article 28.¹⁵
- International Covenant on Economic, Social and Cultural Rights, Article 2(1).¹⁶
- Declaration on the Right to Development, Articles 2(3), 3(1), 4(2), 7(1).¹⁷
- General Comment No. 24.¹⁸

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Communicate expectations for implementing the policy commitment to all relevant internal and external stakeholders (including tax professionals, suppliers, and clients), including by elaborating clear procedures for managing responsible tax practices.
- Ensure their business practices and the incentives they create do not contradict, in form or substance, the company's policy commitment.

2. ASSESS ACTUAL & POTENTIAL IMPACTS

SDG-aligned companies assess the alignment of their tax practices and those of their business relationships with their commitment to responsible tax practices. This assessment considers how the company's tax planning and lobbying practices might undermine the SDGs by reducing tax revenues in different jurisdictions. The assessment determines the true beneficial owners of suppliers and other business relationships (any party with shareholdings of more than 10%) and assesses the alignment of their tax planning activities with the commitment to responsible tax practices.¹⁹

3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their comprehensive assessment outlined in **Step 2** into relevant internal functions and processes by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific time-bound intermediate and long-term targets to align business practices with the standard. The targets are ambitious enough to contribute significantly to the SDGs' achievement, in particular SDG 17. The intermediate targets are relevant for companies to monitor their and their business relationships' continuous improvement towards meeting the standard. Where possible, indicators measure outcomes rather than outputs or activities. These targets are tailored to the company's business activities and relationships based on their assessment of actual and potential impacts.

c. For example, Nestlé has developed 10 Taxation Management Principles (Source: "Nestlé: Taxation," Nestlé Global, accessed July 7, 2021, <https://www.nestle.com/csv/what-is-csv/taxation>).

3.2. TAKE ACTION

SDG-aligned companies integrate the findings of assessments into relevant internal functions and processes. They take appropriate actions to ensure their due diligence processes prevent, mitigate or remediate impacts on people and planet that may result from tax practices.²⁰ Some specific measures that SDG-aligned companies implement include:

- **Declare profits geographically based on where their real economic substance arises.** Do not engage in arrangements whose sole purpose is to create a tax benefit in excess of what is reasonably understood to be intended by relevant tax rules.²¹ Only use business structures that are aligned with business activity and which have genuine substance.²²
- **Do not use tax havens to avoid taxes on activities that take place elsewhere,** including by locating assets or booking profits in – and routing transactions via – low- or no-tax jurisdictions.
- **Only base branches, subsidiaries, and joint ventures in low- or no-tax jurisdictions for substantive and commercial reasons.**²³
- **Do not use artificially fragmented structures or contracts to avoid establishing a taxable presence** in jurisdictions where value is created for the company and its subsidiaries.²⁴
- **Align with current best practice guidelines,** such as the OECD’s arm’s length principle for transfer pricing by which transfer prices reflect market prices that would prevail in arm’s length transactions between two unrelated parties.²⁵
- **Use leverage with business relationships to end their involvement in tax avoidance schemes,** including schemes that obscure their beneficial ownership.
- **Use leverage in industry-wide and cross-industry discussions** to promote responsible tax practices and robust tax systems.²⁶
- **Refrain from lobbying for lower tax rates.** Use leverage to support a global minimum corporate tax rate, address profit shifting to tax havens, and end the race to the bottom.²⁷
- **Refrain from undermining the development and enforcement of robust tracking and recovery laws** and mechanisms that contribute to the remediation of tax abuses.²⁸
- **Refrain from negotiating special tax holidays or incentives** that are not generally available to all market participants²⁹ and are not targeted as specific legitimate public policy purposes, such as to stimulate employment in an economically depressed region. Where tax holidays or incentives are provided for legitimate public policy purposes, meet those public policy objectives or forgo the incentive.

4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

SDG-aligned companies establish effective grievance mechanisms that are accessible to stakeholders to report impacts by tax practices that do not align with the standard. To ensure that victims of adverse impacts have access to remedy, SDG-aligned companies establish effective, confidential, and anonymous grievance mechanisms and whistleblower protections to enable and protect both internal and external stakeholders in confidentially reporting cases of actual or potential misconduct related to tax practices.³⁰

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

Where a company, its subsidiaries, or other business relationships engage in tax evasion or avoidance, the company participates in legitimate public grievance mechanisms and sanctions regimes, and, where relevant, complies with sanctions and fines commensurate with the negative impact of its involvement in the abuse, or uses its leverage to ensure sanctions and fines are complied with.

4.3. PROVIDE OR ENABLE REMEDY

When SDG-aligned companies identify that they have caused or contributed to harm through their tax practices, they acknowledge their part in the occurrence of the harm done and provide for or cooperate in their remediation through legitimate processes. Where the company is connected to tax abuses through business relationships but did not contribute to the abuses, it enables remediation by using its leverage with those entities.

5. TRACK PERFORMANCE

SDG-aligned companies monitor and review the effectiveness of the implementation of their responsible tax commitment to support continuous improvement to meet the standard.³¹ Indicators the company uses to track performance include:

- The corporation’s average tax gap (the average gap, over the past five years, between the effective tax rate and the statutory rate).
- The effective tax rate as a percentage of pre-tax profits and the industry norm.
- The volume and percentage of global profits attributed to recognized tax havens and low-tax jurisdictions.³²



6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their tax commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts related to their tax practices, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:

- The indicators listed under step 5.
- The company's public commitment to responsible tax practices.
- The company's efforts to align the company's, its subsidiaries', and other business relationships' practices with the public commitment to responsible tax practices.
- Annually, on a country-by-country basis³³ in each country in which the company, its subsidiaries, and its joint ventures operate and create value for themselves:
 - Names of each subsidiary;
 - The place of incorporation, if different from the country where value is created;
 - A description of the primary activities of the subsidiary;
 - The beneficial ownership, or true owners, with shareholdings of more than 10% for all of its subsidiaries;
 - The number of employees and the basis of calculation of this number;
 - Revenues from third-party sales;
 - Revenues from intra-group transactions with other tax jurisdictions;
 - Profit/loss before tax;
 - Tangible assets other than cash and cash equivalents;
 - Corporate income tax paid on a cash basis;
 - Corporate income tax accrued on profit/loss;
- A narrative explanation for the gap between the effective tax rate and the statutory rate;
- Evidence that the legitimate public policy purpose of any tax holidays or incentives is met by the company.
- The ratio of pre-tax corporate profits to wages.³⁴
- An explanation of why the company has subsidiaries operating in low tax jurisdictions.³⁵
- Any efforts to influence lawmakers, policymakers, and tax authorities on tax-related issues.

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Companies often engage with human rights defenders, whistleblowers, critics, and trade unionists in ways that undermine the achievement of their own sustainability commitments. Human rights and environmental defenders who challenge agribusiness projects play a critical role in notifying processing companies of potential sustainability issues in their value chains and yet still face violence and judicial harassment in their operating contexts. Current ESG and sustainability frameworks rarely consider such impacts and the appropriate role of responsible and sustainable companies in acting to prevent and address them.

Worker in a rice field.
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PILLAR 4
GOOD CORPORATE
CITIZENSHIP

21

LITIGATION

STANDARD

21

LITIGATION

Commitment

Prevent and eliminate litigation activities which limit access to justice to victims of human rights impacts and which chill public participation and speech of critical individuals or groups, including by exploiting power and resource asymmetries.

Lady Justice.
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All companies are responsible for respecting human rights, and many have explicit sustainability policies and commitments. However, all of these can be undermined by the use of litigation strategies to avoid accountability for their impacts on people and planet by the same companies. While lawyers and law firms have duties to zealously represent their clients, companies can and should direct their counsel to refrain from representing them in ways that undermine the achievement of the SDGs and the realization of human rights, including victims' access to justice.

Among the most harmful of these strategies are those that target environmental and human rights defenders, including journalists, trade unionists, civil society organizations, and critical members of a host community. Such attacks are so widespread in agribusiness that Michel Forst, the former UN Special Rapporteur on the situation of human rights defenders, has described its supply chains as "one of the riskiest for human rights defenders and communities."¹ In 2020, the Business and Human Rights Resource Centre identified 137 cases of attacks on defenders related to agribusiness. Although these included killings and violent attacks, the larger percentage comes in the form of judicial harassment.²



Judicial harassment can come in the form of SLAPPs or strategic litigation against public participation. These lawsuits aim to intimidate and burden critics of a company in order to silence them and others who might speak up. Even where these lawsuits lack merit, they can drag on for years, draining the resources of environmental and human rights defenders and chilling legitimate criticism of the company's conduct.^a UN experts, including the Special Rapporteur on Freedom of Assembly and Association³, the Committee on Economic, Social and Cultural Rights⁴, and ten Special Procedures mandate holders⁵, have called on companies and States to take action to end the use of SLAPPs.

Environmental and human rights defenders play a critical role in supporting food and beverage companies in identifying severe risks, including material risks, in their value chains.⁶ Protecting those who voice objections to a company's or its business relationships' activities is therefore vital to any SDG-aligned company, especially because of the high vulnerability of these individuals and groups.⁷ An essential approach for companies to protect environmental and human rights defenders is to engage with rightsholders constructively and prevent and mitigate litigation activities that target those who are critical of the company, including those who challenge the company in court.

To delay access to justice, companies also use procedural tactics, such as challenging jurisdiction in cases brought against them, including through the *forum non conveniens doctrine*. Through this doctrine, companies insist that a case be moved to a jurisdiction that is more likely to produce a favorable outcome for the company, often due to the jurisdiction's weaker rule of law or lower human rights standards. Fighting the company on jurisdictional grounds can take years, which drains resources and puts pressure on claimants to settle. It also impedes claimants from having a hearing on the merits of their case and delays company disclosure of information which would help establish their liability because discovery is not allowed until the merits phase. Even where victims succeed in achieving justice in these jurisdictions, they may still face companies' challenges of verdicts before investor-state dispute settlement systems.^b

Some companies also use the "corporate veil," or separate corporate personhood, which defines the corporation as being legally distinct from its owners. The corporate veil shields the parent company from liability for harms caused by a subsidiary. When defenders sue parent companies in their home states for harm caused by subsidiaries under their control, some parent companies use the corporate veil argument to plead to have the claim brought against the foreign subsidiary, rather than the parent company, in the state in which the harm occurred.^c This maneuver constrains victims' rights to access justice and adequate remedy.

Finally, companies use mandatory arbitration clauses, class action waivers, and non-disclosure agreements to shield themselves from accountability while denying potentially affected stakeholders access to justice and remedy under the law.⁸ Companies use non-disclosure agreements as part of settlement agreements to suppress information that might otherwise help others impacted by the company's activities to access remedy.

While the use of these tactics is widespread, existing sustainability frameworks, including GRI, CDP, SASB, PRI, and TCFD, do not cover these litigation activities. This standard aims to address that gap.

- a. For example, Energy Transfer, the developer behind the Dakota Access Pipeline, brought a racketeering lawsuit against Greenpeace, BankTrack, and other groups for their campaigning against the pipeline. (Source: Elodie Aba, "Lawsuits by Companies Seek to Silence Accountability Advocates," Business & Human Rights Resource Centre, 2017, <https://www.business-humanrights.org/en/blog/lawsuits-by-companies-seek-to-silence-accountability-advocates/>.)
- b. Investor-state dispute settlement systems or mechanisms are mechanisms commonly included in bilateral investment treaties between States in order to stimulate international investments and protect foreign investors against decisions that might create instability or unpredictability for companies from one country investing in the other. Multinational companies can thus use these mechanisms to bring claims against the State if they believe regulatory action threatens the profitability of their investments. Companies have used these mechanisms to take States to international arbitration to challenge the adoption of robust regulation that would protect human rights or the environment while regulating the conduct of business.
- c. In many lawsuits brought against Royal Dutch Shell in British and Dutch courts for a major oil spill in Nigeria, the company argued it was not responsible for harms caused by its Nigerian subsidiary. (Source: Chris Kahn and Jonathon Fahey, "Chevron Fined \$9.5 Billion In Ecuador," CBS News, February 14, 2011, <https://www.cbsnews.com/news/chevron-fined-95-billion-in-ecuador/>.)



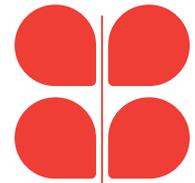
SDG 16 – Peace, justice and strong institutions

Target 16.3: Promote the rule of law at the national and international levels and ensure equal access to justice for all.

Target 16.6: Develop effective, accountable and transparent institutions at all levels.

SDG-ALIGNMENT: ALIGNING CORPORATE PRACTICES WITH THIS STANDARD DIRECTLY CONTRIBUTES TO EACH OF THE 17 GOALS, given the importance of accountability and access to justice in achieving each of the goals. In addition, doing so contributes to the following process- and institution-related SDGs:

Target 16.10: Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.



**PILLAR
4**

GOOD CORPORATE
CITIZENSHIP

BOX 29: LITIGATION ACTIVITIES

This standard covers activities related to how the company uses legal and dispute settlement systems to avoid accountability in disputes with specific individuals and groups at local, national, regional, and international levels.

Covered activities include:

- Strategic lawsuits against public participation (SLAPPs), including defamation lawsuits against critics
- Procedural delay tactics, including jurisdictional challenges through abuse of the corporate veil and forum shopping to delay or deny access to justice to rightsholders, and avoiding discovery and the merits phase of litigation
- Measures to prevent claims or suppress information, including mandatory arbitration clauses, class action waivers, non-disclosure agreements, and intimidation of witnesses
- Submitting investor-state dispute settlement claims against regulations that protect human rights and the environment
- Drafting and joining amicus briefs in support of the claims of corporations and against those of victims of human rights impacts
- Making arguments in court which, if successful, will deny access to justice to victims of human rights impacts in the present and future cases.



STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior level of SDG-aligned companies adopt a policy centered on a public commitment to responsible engagement with litigation; to respecting environmental and human rights defenders' individuals' and groups' rights to free speech, protest, public participation, and petition the government; to respecting the rights to equality before the law and to a fair public hearing; and to the rights to access to justice and remedy.^d The policy:

- Aligns with and references the international standards listed in Box 30.
- States that, where the national law of the territory where a company and its business relationships operate conflicts with international law, the company defers to the higher standard.⁹
- Requires (1) constructive engagement with critics; (2) not engaging in SLAPPs; (3) not including mandatory arbitration clauses in contracts with workers, customers, and others; and (4) accepting jurisdiction where sued.

BOX 30: INTERNATIONAL STANDARDS ON ACCESS TO JUSTICE AND REMEDY AND THE RIGHTS TO FREEDOM OF OPINION, EXPRESSION, AND ASSEMBLY

- Universal Declaration of Human Rights, Articles 8, 10, 19, 20.¹⁰
- International Covenant on Civil and Political Rights, Articles 14, 19, 21.¹¹

d. For example, Adidas has a public policy on human rights defenders that states "The adidas Group has a longstanding policy of non-interference with the activities of human rights defenders, including those who actively campaign on issues that may be linked to our business operations. We expect our business partners to follow the same policy; they should not inhibit the lawful actions of a human rights defender or restrict their freedom of expression, freedom of association, or right to peaceful assembly." (Source: Adidas Group, "The Adidas Group and Human Rights Defenders," 2016, https://www.adidas-group.com/media/filer_public/f0/c5/f0c582a9-506d-4b12-85cf-bd4584f68574/adidas_group_and_human_rights_defenders_2016.pdf.)

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy commitment, SDG-aligned companies:

- Stipulate oversight of their and their business relationships' litigation activities by the highest governing body and establish engagement and escalation processes to manage instances in which misalignment is identified.¹²
- Train and build the capacity of relevant internal stakeholders, including in-house counsel, to align the company's policies and practices with this commitment.
- Set clear expectations for those who represent the company, including in-house counsel, law firms, and trade associations, to comply with a commitment to responsible engagement with litigation policy.
- Embed expectations to comply with a commitment to responsible engagement with litigation policy in contracts with business relationships.¹³
- Ensure their business practices and the incentives they create do not contradict the policy in form or substance.

2. ASSESS ACTUAL & POTENTIAL IMPACTS

To systemically identify and assess actual and potential misalignment with the standard on an ongoing basis, SDG-aligned companies:

- Review their own procedural history to assess prior, current, and prospective litigation activities, including those undertaken by subsidiaries and others acting on the company's behalf, such as trade associations and law firms (see Box 29 above with examples of litigation activities).
- Assess how these activities align with their commitment to responsible engagement with litigation.
- Ensure the assessment is informed by human rights experts and the views of stakeholders potentially affected by such activities.¹⁴
- Where a company's business relationships, such as trade associations, are involved in litigation activities, review the potential impacts on people and planet of the activities and whether they accurately represent their commitments to social and environmental sustainability.

3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their assessment of actual and potential misalignment with the standard and their real or potential impacts into relevant internal functions and processes by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific time-bound intermediate and long-term targets to prevent and mitigate litigation-related impacts that are ambitious enough to contribute significantly to the SDGs' achievement. The intermediate targets are relevant for the companies to monitor their and their business relationships' continuous improvement towards meeting the standard. Where possible, indicators measure outcomes rather than outputs or activities.

3.2. TAKE ACTION

SDG-aligned companies integrate the findings of their assessments into relevant internal functions and processes.¹⁵ Some specific measures include:

- **Accepting and not challenging the jurisdiction** when cases are brought against a company or its subsidiaries, which can cause delays, be costly, and obstruct access to justice for victims.
- **Engaging constructively with critical workers, environmental and human rights defenders, and those who may be affected by the company's activities** and business relationships. SDG-aligned companies do not merely engage in pro forma or symbolic ways, which may result in a lack of genuine consent and risks later conflict with communities and critics.
- **Addressing power imbalances between the company and potentially affected stakeholders.** This may be achieved through paying for complainants' legal fees, paying fees for a mutually agreed-upon mediator, or innovative solutions such as basket funds, which dilute and anonymize company contributions to funds for communities' legal and technical support.¹⁶
 - e. For example, Adidas reports that it used its leverage with the Cambodia Garment Manufacturers Association (GMAC) compelling them to withdraw a legal action against six independent trade union leaders in Cambodia alleging their involvement in the destruction of property during nationwide protests in 2014. (Source: Adidas Group, "The Adidas Group and Human Rights Defenders," 2016, https://www.adidas-group.com/media/filer_public/f0/c5/f0c582a9-506d-4b12-85cf-bd4584f68574/adidas_group_and_human_rights_defenders_2016.pdf.)
 - f. For example, Adidas has a public policy on human rights defenders that states it will petition governments where it feels the rights and freedoms of human rights defenders with whom it is engaged have been impinged by the activities of the State, or its agents. (Source: Adidas Group, "The Adidas Group and Human Rights Defenders," 2016, https://www.adidas-group.com/media/filer_public/f0/c5/f0c582a9-506d-4b12-85cf-bd4584f68574/adidas_group_and_human_rights_defenders_2016.pdf.)
- **Refraining from the use of litigation or arbitration that seeks to hinder stakeholders' ability to protect their rights** through the legal system.¹⁷ Specifically, SDG-aligned companies do not:
 - Bring or defend litigation in bad faith, which is meritless or frivolous.¹⁸
 - Seek to exploit power and resource asymmetries through practices that deplete the resources of counterparties. These practices include procedural maneuvers which prevent or delay claims on the substance and drive up costs for the counterparty.
 - Seek to intimidate or harass litigants.¹⁹
 - Seek disproportionate damages.
 - Seek to prevent the exercise of human rights and chill the expression of public concerns regarding the company's conduct or that of its business relationships.
- **Ceasing the use of mandatory arbitration clauses, class action waivers, and non-disclosure agreements in cases related to human rights impacts,** including discrimination and harassment.²⁰
- **Preventing witness intimidation and retaliation** against trade unionists, environmental and human rights defenders, and whistleblowers.
- **Paying judgments and fines** issued by domestic judicial and administrative authorities.
- **Refrain from filing amicus briefs, and investor-state dispute settlement claims that limit access to justice and remedy,** including investor-state dispute settlement claims that challenge domestic judgments.
- **Using leverage with business relationships:** Where those who represent the company and other business relationships, including trade associations,^e are involved in litigation activities that do not align with a company's responsible engagement with litigation commitment, the company engages them to influence their activities. Where the business relationship's activities do not change to align with the SDGs within a reasonable timeframe, the company publicly terminates its relationship, citing its reasons for doing so, including the respective areas of misalignment.²¹
- **Using leverage with government actors:** Petition governments to protect environmental and human rights defenders, particularly those being targeted in connection with criticism of the company or its business relationships.^f



4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

SDG-aligned companies establish effective, confidential, and anonymous grievance mechanisms^g and whistleblower protections to enable and protect both internal and external stakeholders reporting cases of misconduct related to the companies' activities or activities of business relationships, including cases of adverse human rights impacts caused by litigation activities.²²

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies cooperate and support judicial and non-judicial State-based mechanisms to report and adjudicate disputes and do not divert complaints to company grievance mechanisms in order to keep victims from seeking remedy for their claims in court. They facilitate and do not interfere with civil, criminal, and human rights examinations. SDG-aligned companies refrain from using legal waivers that preclude access to judicial recourse. SDG-aligned companies do not require complainants to agree not to seek judicial remedy once they have availed themselves of a company grievance mechanism. Where State-based mechanisms order sanctions or remedy, SDG-aligned companies comply and use leverage to ensure business relationships comply. Procedures are in place to report the reports of violent threats against human rights defenders to relevant authorities.²³

4.3. PROVIDE OR ENABLE REMEDY

Where their activities cause or contribute to negative impact, SDG-aligned companies provide remedy through legitimate public grievance mechanisms and sanctions regimes. Depending on the circumstances, remedy may include a public apology, and acknowledgment of the company's role in causing the harm, and contributions to reparations funds.

g. As defined by the UNGPs' Effectiveness Criteria for Non-Judicial Grievance Mechanisms ("In order to ensure their effectiveness, non-judicial grievance mechanisms, both State-based and non-State-based, should be: (a) Legitimate... (b) Accessible... (c) Predictable... (d) Equitable... (e) Transparent... (f) Rights-compatible... (g) A source of continuous learning... Operational-level mechanisms should also be: (h) Based on engagement and dialogue...") (see UNGP 31 for further information). (Source: United Nations, "Guiding Principles on Business and Human Rights: Implementing the United Nations' 'Protect, Respect and Remedy' Framework," 2011, https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)

5. TRACK PERFORMANCE

SDG-aligned companies monitor and review the effectiveness of the implementation of the policies and procedures covering litigation to support continuous improvement to meet the standard. The companies track progress to align litigation activities with the standard, informed by experts and affected stakeholders. Tracking activities include (1) third-party assessments of litigation activities; (2) engagement with potentially affected stakeholders, including trade associations, environmental and human rights defenders, and civil society organizations; and (3) complaints raised through grievance mechanisms.²⁴

6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their litigation commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts related to their litigation practices, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:

- Information about the litigation or arbitration a company, its subsidiaries, and those engaging in litigation on the company's behalf are engaged in, including (1) the case name, (2) forum, and (3) a statement of the causes of action alleged.
- Actions taken to constructively engage with civil society.
- Efforts to use leverage with trade associations and other business relationships engaged in litigation activities that do not meet the standard.
- Measures to address power imbalances between a company and potentially affected stakeholders raising concerns.
- Efforts to use leverage with government actors to protect environmental and human rights defenders, particularly those being targeted in connection with opposition to the company or its business relationships.

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We are just at the start of a long-term transformation of the food system to achieve the SDGs, fulfill the Paris Climate Agreement, and ultimately, to build the future where human wellbeing is ensured, and the environment is protected. The Four Pillar Framework's roadmap to holistic sustainability can help companies and their stakeholders advance this future. As we continue to deepen and expand our work in the years ahead, we welcome feedback and opportunities for exchanging viewpoints and information.



Aerial Photo of fields using the pivot irrigation system, Colorado, United States.
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